

P 06000000 2503

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

PICK-UP  WAIT  MAIL

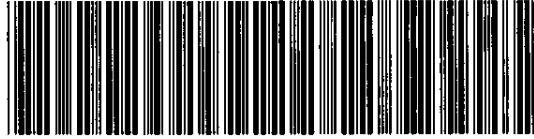
(Business Entity Name)

(Document Number)

Certified Copies \_\_\_\_\_ Certificates of Status \_\_\_\_\_

Special Instructions to Filing Officer:

Office Use Only



300312703303

05/03/18--01002--003 \*\*78.75

FILED  
18 MAY -2 AM 8:44  
SECRETARY OF STATE  
TALLAHASSEE FLORIDA

*Merger*  
R. WHITE  
MAY 03 2018



**CAPITOL  
SERVICES**

**Filing Cover Sheet**

To: Florida Division of Corporations

From: Kim Tadlock C/O Capitol Services, Inc.

Date: 5/1/2018

Trans#: 975019

**Entity Name:**

~~1) T3 COMMUNICATIONS, INC. (FL) MERGING INTO T3 ACQUISITION, INC. (FL)~~

Articles Incorporation ( )

Articles of Amendment ( )

Articles of Dissolution ( )

Annual Report ( )

Conversion ( )

Fictitious Name ( )

Foreign Qualification ( )

Limited Liability ( )

Limited Partnership ( )

~~Merger (XX)~~

Reinstatement ( )

Withdrawal / Cancellation ( )

Other ( )

RECEIVED  
FLORIDA DIVISION OF STATE  
10 MAY -2 PM 3:32

~~STATE FEES PREPAID WITH CHECK#1212 FOR \$78.75~~

**PLEASE RETURN:**

~~Certified Copy (XX)~~ Plain Photocopy ( )

Good Standing ( )

Certificate of Fact ( )

FILED

18 MAY -2 AM 8:48

SECRETARY OF STATE  
TALLAHASSEE FLORIDA

ARTICLES OF MERGER

T3 COMMUNICATIONS, INC.,  
a Florida corporation

and

T3 ACQUISITION, INC.,  
a Florida corporation

The following articles of merger are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1105, Florida Statutes.

First: The name and jurisdiction of the SURVIVING CORPORATION is:

Name	Jurisdiction	Document Number
T3 COMMUNICATIONS, INC.	Florida	P06000002503

Second: The name and jurisdiction of the MERGING CORPORATION is:

Name	Jurisdiction	Document Number
T3 ACQUISITION, INC.	Florida	P17000040537

Third: The Plan of Merger is attached.

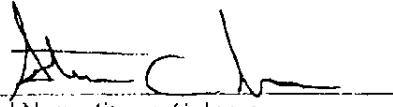
Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

Fifth: The Plan of Merger was adopted by the shareholders of the SURVIVING CORPORATION on May 18, 2017.

Sixth: The Plan of Merger was adopted by the shareholders of the MERGING CORPORATION on May 8, 2017.

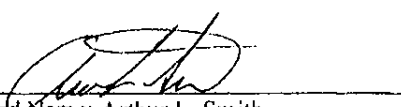
Seventh: Signatures:

T3 COMMUNICATIONS, INC.

By: 

Printed Name: Steven C. Jones  
Title: Chairman of the Board, Executive VP

T3 ACQUISITION, INC.

By: 

Printed Name: Arthur L. Smith  
Title: President

RECEIVED  
SECRETARY OF STATE  
18 MAY -2 PM 3:33

*Execution Version*

---

AGREEMENT AND PLAN OF MERGER

by and among

SHIFT8 TECHNOLOGIES, INC.,

T3 ACQUISITION, INC.,

T3 COMMUNICATIONS, INC.,

and

MR. STUART CONRAD, AS SHAREHOLDERS REPRESENTATIVE

Dated as of May 8, 2017

---

## TABLE OF CONTENTS

	<u>Page</u>
<b>ARTICLE I. MERGER</b> .....	1
Section 1.1 Merger.....	1
Section 1.2 Certificate of Merger.....	1
Section 1.3 Effect of Merger.....	2
Section 1.4 Purchase Price .....	2
Section 1.5 Appraisal Rights.....	2
Section 1.6 Miscellaneous Consideration Terms.....	3
<b>ARTICLE II. CLOSING</b> .....	4
Section 2.1 The Closing.....	4
Section 2.2 Closing Deliveries by the Company .....	4
Section 2.3 Closing Deliveries by Buyer .....	6
Section 2.4 Closing Payments.....	7
Section 2.5 Purchase Price Adjustments.....	8
<b>ARTICLE III. REPRESENTATIONS AND WARRANTIES OF THE COMPANY</b> .....	10
Section 3.1 Organization and Corporate Power.....	11
Section 3.2 Subsidiaries .....	11
Section 3.3 Authorization; Valid and Binding Agreement.....	11
Section 3.4 No Breach .....	11
Section 3.5 Capital Stock.....	12
Section 3.6 Financial Statements .....	13
Section 3.7 No Liabilities .....	13
Section 3.8 Absence of Certain Developments.....	13
Section 3.9 Title to Properties.....	15
Section 3.10 Condition of Assets.....	16
Section 3.11 Tax Matters .....	16
Section 3.12 Permits .....	18
Section 3.13 Contracts and Commitments.....	18
Section 3.14 Intellectual Property.....	20
Section 3.15 Litigation.....	21
Section 3.16 Employee Benefit Plans.....	21
Section 3.17 Insurance .....	22
Section 3.18 Compliance with Laws .....	22
Section 3.19 Environmental Matters.....	22

Section 3.20	Affiliated Transactions.....	24
Section 3.21	Employment and Labor Matters .....	24
Section 3.22	Customers and Suppliers.....	24
Section 3.23	Brokerage.....	25
Section 3.24	Certain Payments .....	25
<b>ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF BUYER AND ACQUISITION COMPANY.....</b>		<b>25</b>
Section 4.1	Organization and Power.....	25
Section 4.2	Authorization; Valid and Binding Agreement.....	26
Section 4.3	No Breach .....	26
Section 4.4	Litigation.....	26
Section 4.5	Brokerage.....	27
Section 4.6	Financial Ability .....	27
<b>ARTICLE V. COVENANTS .....</b>		<b>27</b>
Section 5.1	Filing of Certificate of Merger.....	27
Section 5.2	Conduct of Business Prior to Closing.....	27
Section 5.3	Access and Audits.....	29
Section 5.4	Company Notification of Certain Matters .....	30
Section 5.5	Buyer Notification of Certain Matters .....	31
Section 5.6	Confidentiality .....	31
Section 5.7	Indemnification of Former Officers and Directors .....	31
Section 5.8	Governmental Approvals and Other Third-party Consents .....	32
Section 5.9	Closing Conditions .....	33
Section 5.10	Tax Matters .....	33
Section 5.11	No Solicitation .....	35
Section 5.12	Requisite Stockholder Approval.....	35
Section 5.13	Further Assurances.....	35
<b>ARTICLE VI. CONDITIONS TO CLOSING.....</b>		<b>36</b>
<b>ARTICLE VII. INDEMNIFICATION .....</b>		<b>38</b>
Section 7.1	Survival.....	38
Section 7.2	Indemnification of Buyer.....	39
Section 7.3	Indemnification of the Shareholders .....	39
Section 7.4	Certain Limitations .....	40
Section 7.5	Expiration of Claims.....	40

Section 7.6	Procedures Relating to Indemnification for Third Party Claims .....	41
Section 7.7	Procedure for Indemnification for Inter-Party Claims .....	42
Section 7.8	Mitigation.....	43
Section 7.9	Determination of Loss Amount .....	43
Section 7.10	Payment of Losses .....	44
Section 7.11	Escrow Release .....	44
Section 7.12	Tax Benefits .....	45
Section 7.13	Exclusive Remedy .....	45
<b>ARTICLE VIII.</b>	<b>TERMINATION.....</b>	<b>45</b>
Section 8.1	Termination.....	45
Section 8.2	Effect of Termination.....	46
<b>ARTICLE IX.</b>	<b>MISCELLANEOUS.....</b>	<b>47</b>
Section 9.1	Shareholders Representative .....	47
Section 9.2	Press Releases and Communications .....	48
Section 9.3	Expenses .....	48
Section 9.4	Knowledge Defined .....	49
Section 9.5	Notices .....	49
Section 9.6	Assignment .....	50
Section 9.7	Severability .....	50
Section 9.8	No Strict Construction; Disclosure Schedules.....	50
Section 9.9	Amendment and Waiver .....	51
Section 9.10	Complete Agreement .....	51
Section 9.11	Counterparts.....	51
Section 9.12	Governing Law .....	51
Section 9.13	Consent to Jurisdiction and Service of Process .....	51
Section 9.14	Waiver of Jury Trial.....	52
Section 9.15	No Third-Party Beneficiaries.....	52
Section 9.16	Specific Performance .....	52
Section 9.17	Representation of the Company and its Affiliates .....	52
Section 9.18	Conflict Between Transaction Documents .....	53
Section 9.19	Buyer Deliveries .....	53
Section 9.20	Interpretation.....	53

**Annex A**  
**Definitions**

**Disclosure Schedules**

Provided Separately

**Exhibits**

- Exhibit A - Amended and Restated Articles of Incorporation
- Exhibit B - Amended and Restated Bylaws
- Exhibit C - List of Officers and Directors of the Company (Surviving Entity)
- Exhibit D - Form of Transmittal Letter
- Exhibit E - Form of Non-Compete and Confidentiality Agreement for Key Shareholders
- Exhibit F - Escrow Agreement
- Exhibit G - Form of First Amendment to Amended and Restated Employment Agreement of  
Josh Reel
- Exhibit H - Former Company Indemnification Provisions
- Exhibit I - Example Net Working Capital Calculation



## AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") is made as of May 8, 2017, by and among **Shift8 Technologies, Inc.**, a Nevada corporation ("Buyer"), **T3 Acquisition, Inc.**, a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), **T3 Communications, Inc.**, a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, the "Shareholders Representative").

WHEREAS, capitalized terms used and not otherwise defined herein have the meanings set forth in Annex A made a part hereof;

WHEREAS, all of the issued and outstanding Shares and any issued and outstanding T3 Options of Company are held by the Persons set forth on **Schedule 1** attached hereto;

WHEREAS, upon the terms and subject to the conditions set forth herein, Buyer desires to acquire all of the Company's business and assets of every description and assume all of the Company's liabilities by effecting a merger of the Acquisition Company with and into the Company, resulting in the Company being the surviving entity and thereafter a wholly owned subsidiary of Buyer (the "Merger"); and

WHEREAS, the Board of Directors of the Buyer has approved this Agreement, the Merger and the Transaction contemplated by this Agreement in accordance with the Title 7 of the Nevada Revised Statutes (the "NRS") and its organizational documents; and

WHEREAS, the Board of Directors of the Company, and the Board of Directors and sole member of the Acquisition Company (Buyer) have approved this Agreement, the Merger and the Transaction contemplated by this Agreement in accordance with the Florida Business Corporation Act (the "FBCA") and their respective organizational documents.

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

### ARTICLE I. MERGER

Section 1.1 Merger. On the Closing Date and in accordance with the terms of this Agreement and the FBCA, Buyer will acquire the Company's business by effecting a merger of the Acquisition Company with and into the Company, the separate legal existence of the Acquisition Company will cease, and the Company will be the surviving entity.

Section 1.2 Certificate of Merger. Concurrently with the Closing, the Acquisition Company and the Company will file a certificate of merger satisfying all of the requirements of the applicable provisions of the FBCA with the Secretary of State of Florida, and will make all other filings or recordings required under the FBCA to effect the Merger on and as of the Closing Date.

Section 1.3 Effect of Merger. Upon the effectiveness of the Merger:

(a) the Articles of Incorporation of the Company shall be amended and restated as set forth in **Exhibit A**;

(b) the bylaws of the Company shall be amended and restated as set forth in **Exhibit B**;

(c) the individuals set forth on **Exhibit C** shall be elected to the Board of Directors of the Company and to the offices in the Company set forth opposite their respective names;

(d) the issued and outstanding membership interests of the Acquisition Company owned by Buyer immediately prior to the Closing shall by virtue of the Merger and without any action on the part of any Person be automatically converted into a like number of shares of the Common Stock of the Company;

(e) the Shares of the Company issued and outstanding immediately prior to the Closing held by the Shareholders shall by virtue of the Merger and without any action on the part of any Person be automatically converted into the right to receive the amount of cash set forth opposite the name of the respective Shareholders on **Schedule 1** attached hereto, as may be amended by the Company prior to the Closing to take into consideration the Estimated Purchase Price and the amount of the Distributable Net Purchase Price payable to each Shareholder at Closing;

(f) the T3 Options issued and outstanding immediately prior to the Closing held by the option holders shall by virtue of the Merger and without any action on the part of any Person be automatically converted into the right to receive the amount of cash from the Distributable Net Purchase Price set forth opposite the name of the respective option holder on **Schedule 1**; and

(g) the Shares and T3 Options shall be cancelled and cease to exist aside from the rights provided in **Section 1.3(e)** and **1.3(f)**.

Section 1.4 Purchase Price. Buyer and the Company agree that the purchase price for the Company (the "**Purchase Price**") shall equal (i) \$3,850,000, minus (ii) the Indebtedness not otherwise being assumed by the Buyer pursuant to this Agreement as set forth on **Schedule 2**, if any, minus, (iii) that portion of the Company Indebtedness and Company Closing Expenses to be paid by Buyer pursuant to **Section 2.4(e)(i)**, if any, and plus or minus (iv) any difference between the Net Working Capital on the Closing Date and the Target Net Working Capital; provided that no adjustment shall be made with respect to Net Working Capital unless the difference is at least \$25,000 in excess of or less than the Target Net Working Capital. Pursuant to **Section 6.2(g)**, the Company shall have Cash on Hand as of Closing of not less than \$250,000 ("**Closing Minimum Cash**"), which, for the avoidance of doubt, shall be included in the calculation of Net Working Capital on the Closing Date.

Section 1.5 Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, each Share as to which written notice of objection to the Merger in accordance with the

FBCA ("Dissenting Shares") has been received by the Company will not be converted into the right to receive a portion of the Purchase Price as provided by this Agreement, and Buyer and the Company will therefore have no obligation to pay the portion of the Purchase Price in respect of any such Share, unless and until the holder of such Share withdraws his or her demand for appraisal rights or becomes ineligible for appraisal rights. Each Person holding of record or beneficially owning Dissenting Shares who becomes entitled under the applicable sections of the FBCA to payment of the fair value of such Dissenting Shares (and any other payments required by the FBCA) or to payment of any other amount under any other legal theory as a result of their capacity as a shareholder of the Company prior to the Merger, will receive payment therefor from the Buyer and the Company in the same manner as Purchase Price is being paid to Shareholders hereunder.


Section 1.6 Miscellaneous Consideration Terms.

(a) Prior to the Closing, the Company shall hand deliver or mail to each Shareholder a letter of transmittal in the form attached hereto as **Exhibit D** and instructions for use of such letter of transmittal (the "Transmittal Letter") in effecting the surrender of any certificate representing Shares and obtaining payment of each such Shareholder's Pro Rata Share of the Distributable Net Purchase Price, as provided in this Section 1.6.

(b) At the Closing, all Shares issued and outstanding immediately prior to the Closing will be canceled and cease to exist, and each holder of a certificate that represents Shares issued and outstanding immediately prior to the Closing will cease to have any rights as a Shareholder with respect to the Shares represented by such certificate (including, without limitation, any right to receive accrued and unpaid dividends), except for the right to surrender such certificate, and deliver to the Company a duly executed Transmittal Letter, in exchange for the payment of the Distributable Net Purchase Price provided pursuant to this Agreement and **Schedule 1** or to preserve and perfect such Shareholder's right to receive payment for such holder's Shares pursuant to applicable sections of the FBCA and Section 1.5 if such holder has validly exercised and not withdrawn or lost such right, and no transfer of Shares issued and outstanding immediately prior to the Closing will be made on the stock transfer books of the Company.

(c) If payment of a Shareholder's Pro Rata Share of the Distributable Net Purchase Price by the Payment Agent is to be made to a Person other than the Person in whose name the certificate surrendered in exchange therefore is registered, it will be a condition to such payment that, and Payment Agent will not make such payment until, the certificate so surrendered be properly endorsed and otherwise in proper form for transfer reasonably satisfactory to Buyer, and that the Person requesting such payment (i) deliver to the Company a duly executed Transmittal Letter, and (ii) pay to Buyer or the Company any transfer and other taxes required by reason of such payment in any name other than that of the registered holder of the certificate surrendered or establish to the reasonable satisfaction of Buyer that such tax either has been paid or is not payable.

(d) No interest will accrue or be payable with respect to any amounts which a holder of Shares will be entitled to receive. The Payment Agent is authorized to pay the cash attributable to any certificate previously issued which has been lost or destroyed, only upon



receipt of reasonably satisfactory evidence of ownership of the Shares represented thereby satisfactory to the Buyer and of appropriate indemnification (without bond or similar requirement). For the avoidance of doubt, the receipt of an executed Transmittal Letter and the original certificate representing Shares being surrendered by a Shareholder or an executed affidavit of lost certificate in a form attached as an exhibit to the Transmittal Letter, shall be deemed to be satisfactory evidence of a Shareholder satisfying all of the requirements to receive payment of such Shareholder's Pro Rata Share of the Distributable Net Purchase Price.

(e) If the Payment Agent is unable to pay any amount due to the failure of a Shareholder or other Person to comply with the requirements of Section 1.6(c) and, if applicable, Section 1.6(d), the unpaid amount shall be held by the Payment Agent until conditions of the applicable section are met or until the amount must then be paid over in accordance with applicable Law (including but not limited to applicable state unclaimed property law).

## **ARTICLE II. CLOSING**

Section 2.1 The Closing. Subject to the terms and conditions of this Agreement, the closing of the Transaction (the "Closing") shall take place at the offices of K&L Gates LLP, located at Southeast Financial Center, Suite 3900, 200 South Biscayne Boulevard, Miami, Florida 33131, on a date no later than two (2) Business Days after the last of the Closing Conditions have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), or at such other time or on such other date or at such other place as the Company and Buyer may mutually agree upon in writing. The date of the Closing is herein referred to as the "Closing Date." The Closing shall be deemed to occur at, and the calculation of the Purchase Price shall be made as of, 12:01 a.m. Miami, Florida time on the Closing Date.

Section 2.2 Closing Deliveries by the Company. At the Closing, the Company shall deliver or cause to be delivered to Buyer, or Escrow Agent or Payment Agent as may be applicable, the following:

(a) a certificate signed by the Company's Secretary or Assistant Secretary and dated the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying as to (i) a certified copy of Company's Articles of Incorporation from the Secretary of State of the State of Florida and all amendments thereto dated as of a date within ten (10) days prior to the Closing Date and that no amendments to the Articles of Incorporation have taken place since the date of the certification, (ii) good standing certificates of the Company from its jurisdiction of organization and each jurisdiction in which it is qualified to do business as a foreign corporation, in each case dated within ten (10) days of the Closing Date, (iii) the Company's bylaws, as the same may be amended, and that no other amendments to Company's bylaws have taken place, (iv) attesting to the incumbency of the officers of the Company executing this Agreement and the Transaction Documents;

(b) a certificate signed by the Company's Secretary or Assistant Secretary and dated the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying as to (i) the due adoption and continued effectiveness of a resolution adopted by the Company's Board

of Directors approving this Agreement, the Merger and the Transaction, including, without limitation, its recommendation to the Shareholders to approve this Agreement, the Merger and the Transaction in accordance with the FBCA, (ii) the notice of meeting of Shareholders (the "Shareholders Meeting") stating the purpose of the Shareholders Meeting that was held to consider approving this Agreement, the Merger and the Transaction and transmitting a copy of this Agreement, together with all schedules and exhibits, and the notice of the Shareholders appraisal rights under the FBCA, (iii) the voting results of the Shareholders Meeting, and (iv) the due adoption and continued effectiveness of a resolution adopted by the Requisite Shareholders approving this Agreement, the Merger and the Transaction in accordance with the FBCA;

(c) a Certificate of Merger duly signed by the Company;

(d) payoff letters, in forms reasonably satisfactory to Buyer, with respect to the payoff amounts for the Indebtedness of the Company;

(e) copies of all consents, in form and substance reasonably satisfactory to Buyer, of third Persons set forth on Schedule 3.4(b);

(f) the written resignation (or documentation reasonably satisfactory to Buyer showing the removal) of each director and officer of the Company, with each resignation (or removal) effective no later than the Closing, provided, however the Buyer acknowledges and agrees that Josh Reel will continue to be an employee of the Company pursuant to the terms of the Amended and Restated Employment Agreement, dated December 2, 2016, between Mr. Reel and the Company;

(g) a Non-Compete and Confidentiality Agreement for key shareholders, in the form attached hereto as Exhibit E, duly executed by each of Josh Reel, Steven Jones, Randall Henderson, Tad Yeatter and Stuart Conrad;

(h) an amended Schedule 1 in accordance with Section 2.5(b);

(i) Transmittal Letters and corresponding issued and outstanding certificates (or lost certificate affidavits in the form attached to the Transmittal Letter) from Shareholders representing not less than a majority of all issued and outstanding shares of Company stock (the "Surrendered Stock") immediately prior to the Closing. All of the Surrendered Stock shall be canceled and extinguished at the Closing, to effect the exchange of such certificates on behalf of the applicable Shareholders;

(j) the Escrow Agreement, in the form attached hereto as Exhibit F, duly executed by the Shareholders Representative;

(k) the first amendment to the Amended and Restated Employment Agreement of Josh Reel in the form attached hereto as Exhibit G, executed by the Company and Josh Reel (the "Employment Agreement");

(l) a Payment Agent Agreement, in a form to be reasonably agreed to by the Buyer, the Shareholders Representative and the Company, duly executed by the Company and the Shareholders Representative;

(m) An opinion of counsel to the Company limited to the proper authorization by the Shareholders for the Merger; and

(n) such other customary filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

Section 2.3 Closing Deliveries by Buyer. At the Closing, Buyer shall deliver or cause to be delivered to the Company, or the Escrow Agent or the Payment Agent as may be applicable, the following:

(a) a certificate signed by Buyer's Secretary or Assistant Secretary and dated the Closing Date, in form and substance reasonably satisfactory to the Company, certifying as to (i) a certified copy of Buyer's Certificate of Incorporation from the Secretary of State of the State of Nevada and all amendments thereto dated as of a date within ten (10) days prior to the Closing Date and that no amendments to the Buyer's Certificate of Incorporation have taken place since the date of the certification, (ii) good standing certificates of Buyer from Nevada and each jurisdiction in which it is qualified to do business as a foreign corporation, in each case dated within ten (10) days of the Closing Date, (iii) Buyer's bylaws, as the same may be amended, and that no other amendments to Buyer's bylaws have taken place, (iv) attesting to the incumbency of the officers of Buyer executing this Agreement and the other Transaction Documents and (v) certifying as to the due adoption and continued effectiveness of a resolution adopted by Buyer's Board of Directors approving this Agreement, the Merger and the Transaction;

(b) a certificate signed by Acquisition Company's Secretary or Assistant Secretary and dated the Closing Date, in form and substance reasonably satisfactory to the Company, certifying as to (i) a certified copy of Acquisition Company's Articles of Incorporation from the Secretary of State of the State of Florida and all amendments thereto dated as of a date within ten (10) days prior to the Closing Date and that no amendments to the Articles of Incorporation have taken place since the date of the certification, (ii) good standing certificates of Acquisition Company from Florida and each jurisdiction in which it is qualified to do business as a foreign entity, in each case dated within ten (10) days of the Closing Date, (iii) Acquisition Company's bylaws, as the same may be amended, and that no other amendments to Company's bylaws have taken place, (iv) attesting to the incumbency of the officers of Acquisition Company executing this Agreement and the other Transaction Documents;

(c) a certificate signed by Acquisition Company's Secretary or Assistant Secretary and dated the Closing Date, in form and substance reasonably satisfactory to the Company, certifying as to (i) the waiver by Acquisition Company's sole stockholder of any notice required by FBCA, and (ii) the due adoption and continued effectiveness of a resolution by Acquisition Company's sole stockholder approving this Agreement, the Merger and the Transaction in accordance with the NRS and FBCA (if applicable);

(d) the Escrow Agreement executed by the Buyer and Escrow Agent;

(e) the Payment Agent Agreement executed by the Buyer and the Payment Agent;

- (f) a Certificate of Merger duly signed by Buyer; and
- (g) such other customary filings or documents, in form and substance reasonably satisfactory to Company, as may be required to give effect to this Agreement.

Section 2.4 Closing Payments. On or before Closing, the following payments and/or actions shall be undertaken by the parties indicated:

(a) Any cash payments shall be made by cashier's check or by wire transfer of immediately available funds according to the payment directions provided to Company, Buyer, the Payment Agent or Escrow Agent at least two (2) Business Days prior to the Closing;

(b) Company shall wire transfer or otherwise deliver from the difference between the amount of Cash on Hand just prior to the Closing and the Closing Minimum Cash (such amount the "Excess Cash") to the holders of the Indebtedness of the Company that will be paid off on or prior to closing to the Persons and in the amounts set forth on Schedule 2.4(b) (the "Estimated Indebtedness"); provided, however, if the Excess Cash is not sufficient to pay all of the Estimated Indebtedness, then the Buyer shall cover any shortfalls and reduce the Purchase Price by such amount;

(c) Company shall, after payment of Estimated Indebtedness as provided in Section 2.4(b), wire transfer to the Persons specified in Schedule 2.4(c) from the Excess Cash, an amount equal to the estimated company closing expenses in the respective amounts set forth in Schedule 2.4(c) (the "Estimated Company Closing Expenses"); provided, however, if the Excess Cash is not sufficient to pay all of the Estimated Company Closing Expenses, then the Buyer shall cover any shortfalls and reduce the Purchase Price by such amount.

(d) Company shall wire transfer to the Payment Agent, any remaining portion of the Excess Cash left over after making the payments described in Section 2.4(b) and 2.4(c) (such amount, the "Remainder Cash"), if any, for distribution to the Shareholders as part of the gross proceeds of the Transaction.

(e) Buyer shall:

(i) To the extent the Estimated Indebtedness and/or Estimated Company Closing Expenses have not been fully paid by the Company pursuant to Section 2.4(b) or Section 2.4(c), wire transfer to the Persons specified in Schedule 2.4(b), any amounts of the Estimated Indebtedness set forth in Schedule 2.4(b) less any amounts previously paid by the Company pursuant to Section 2.4(b); and to the Persons specified in Schedule 2.4(c), any amounts of the Estimated Company Closing Expenses set forth in Schedule 2.4(c) less any amounts previously paid by the Company pursuant to Section 2.4(c); and

(ii) wire transfer to the Payment Agent, an amount equal to the Estimated Purchase Price less the Escrow Amounts.

(iii) wire transfer to the Escrow Agent, an amount equal to the Escrow Amounts.

(f) The Escrow Agreement shall provide that the Escrow Agent shall segregate the funds required for the Indemnity Escrow Amount and the Working Capital Escrow Amount (together, the "Escrow Amounts") in accordance with the terms of the Escrow Agreement.

(g) The Payment Agent Agreement shall provide that:

(i) the Company shall for each Shareholder that has delivered to the Company (A) their Share certificate(s), or affidavit of lost certificate(s) as may be applicable, and (B) an executed Transmittal Letter, promptly (and in any event within five days of receipt thereof) instruct the Payment Agent to wire transfer or otherwise deliver an amount of cash (the "Distributable Net Purchase Price") for such Shareholder as set forth on **Schedule 1**, which shall be calculated as (1) the Estimated Purchase Price multiplied by such Shareholder's Percentage Interest, minus (2) the aggregate exercise price related to any T3 Options held by such Shareholder, minus (3) the product of such Shareholder's Percentage Interest multiplied by the Escrow Amounts; and

(ii) the Payment Agent will add to the balance of the Remainder Cash to be distributed to Shareholders, any proceeds set forth on **Schedule 1** from option exercises that are deducted from the Estimated Purchase Price received from the Buyer to arrive at the Distributable Net Purchase Price.

(iii) the Payment Agent shall wire transfer or otherwise deliver to each Shareholder, an amount equal to the Remainder Cash multiplied by each such Shareholder's Percentage Interest.

#### Section 2.5 Purchase Price Adjustments.

(a) At least two (2) Business Days prior to the Closing Date, the Company shall deliver to the Buyer a good faith estimate of Net Working Capital (the "Estimated Net Working Capital"), Estimated Indebtedness to be paid off by Buyer at Closing, if any, and Estimated Company Closing Expenses to be paid by Buyer at Closing, and the resulting calculation of the Purchase Price based upon the Estimated Net Working Capital, Estimated Indebtedness to be paid by Buyer and Estimated Company Closing Expenses to be paid by Buyer (the "Estimated Purchase Price"). The Estimated Purchase Price shall be prepared in accordance with the definitions set forth in this Agreement and using the accounting principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet, to the extent consistent with GAAP.

(b) At least one (1) Business Day prior to the Closing Date, the Company shall deliver to both the Buyer and the Payment Agent a final **Schedule 1** which shall set forth, in addition to what is otherwise required to be set forth under the terms of this Agreement, each Shareholder's respective (i) Percentage Interest, (ii) Distributable Net Purchase Price, and (iii) Pro Rata Share of the aggregate Distributable Net Purchase Price.

(c) As promptly as possible, but in any event within ninety (90) days after the Closing Date, the Buyer will deliver to the Shareholders Representative (i) a special purpose consolidated balance sheet of the Company as of the Closing Date (the "Closing Balance Sheet")



and (ii) a statement showing the Buyer's calculation of Net Working Capital, Indebtedness and Company Closing Expenses, and the resulting calculation of the Purchase Price (together with the Closing Balance Sheet, the "Preliminary Closing Statement"). The Closing Balance Sheet shall be prepared in accordance with the definitions set forth in this Agreement and using the accounting principles, practices and procedures, with consistent classifications, judgments and estimation methodology, as were used in preparation of the Latest Balance Sheet, to the extent consistent with GAAP. During the thirty (30) days after delivery of the Preliminary Closing Statement, the Buyer shall give the Shareholders Representative and its accountants reasonable access to review the surviving entity's books and records and work papers related to the preparation of the Preliminary Closing Statement (and, solely to the extent relevant thereto, to the Buyer's books and records and work papers) for purposes of the Shareholders Representative's review of the Preliminary Closing Statement. The Shareholders Representative and its accountants may make inquiries of the Company and the Buyer and their respective accountants regarding questions concerning or disagreements with the Preliminary Closing Statement arising in the course of its review thereof, and the Buyer shall, and shall cause the Company and any such accountants to provide reasonable cooperation with and reasonably promptly respond to such inquiries. If the Shareholders Representative has any objections to the Preliminary Closing Statement, the Shareholders Representative shall deliver to the Buyer a statement setting forth in reasonable detail its objections thereto and the basis for such objections (an "Objections Statement"). If an Objections Statement is not delivered to the Buyer within thirty (30) days after delivery of the Preliminary Closing Statement, the Preliminary Closing Statement shall be final, binding and non-appealable by the parties hereto. The Shareholders Representative and the Buyer shall negotiate in good faith to resolve any such objections, but if they do not reach a final resolution within fifteen (15) Business Days after the delivery of the Objections Statement, the Shareholders Representative and the Buyer shall submit such dispute to Horn Solutions in Houston, Texas the Dispute Resolution Firm. The Dispute Resolution Firm shall consider only those items and amounts which are identified in the Objections Statement as being items which the Shareholders Representative and the Buyer are unable to resolve. The Dispute Resolution Firm's determination will be based solely on the definitions of Net Working Capital, Indebtedness and Company Closing Expenses, as applicable, contained in this Agreement. The Shareholders Representative and the Buyer shall use their commercially reasonable efforts to cause the Dispute Resolution Firm (who shall be acting as an expert and not as an arbitrator) to resolve all disagreements as soon as practicable and in any event within thirty (30) days after the submission of any dispute. Further, the Dispute Resolution Firm's determination shall be based solely on the submissions by the Buyer and the Shareholders Representative which are in accordance with the terms and procedures set forth in this Agreement (i.e., not on the basis of an independent review) and shall not have assigned a value to any particular item greater than the greatest value for such item claimed by either party or less than the lowest value for such item claimed by either party, in each case as presented to the Dispute Resolution Firm. Buyer and the Shareholders Representative will cooperate in good faith with the Dispute Resolution Firm during the term of its engagement. The resolution of the dispute by the Dispute Resolution Firm shall be final, binding and non-appealable on the parties hereto and their Affiliates. The costs and expenses of the Dispute Resolution Firm shall be allocated based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party in the presentation to the Dispute Resolution Firm. For example, if the Shareholders Representative submits an Objections

Statement for \$1,000, and if the Buyer contests only \$500 of the amount claimed by the Shareholders Representative, and if the Dispute Resolution Firm ultimately resolves the dispute by awarding the Shareholders Representative \$300 of the \$500 contested, then the costs and expenses of the Dispute Resolution Firm will be allocated 60% (i.e. 300/500) to the Buyer and 40% (i.e., 200/500) to the Shareholders Representative (on behalf of the Shareholders).

(d) Post-Closing Adjustment Payment.

(i) If the Purchase Price as ultimately determined pursuant to Section 2.5(c) is in excess of the Estimated Purchase Price, the Buyer shall promptly (but in any event within five (5) Business Days after the final determination of the Purchase Price in accordance with Section 2.5(c)) deliver to the Payment Agent (for distribution to the Shareholders) the amount of the total of such excess plus any costs and expenses awarded to the Shareholders Representative by the Dispute Resolution Firm by wire transfer of immediately available funds to an account or accounts designated in writing by the Payment Agent. Immediately following payment of any amounts determined pursuant to Section 2.5(c) and this Section 2.5(d)(i) to be owing to the Payment Agent (for distribution to the Shareholders), the Shareholders Representative and the Buyer shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to pay to the Payment Agent (for distribution to the Shareholders) all remaining funds in the Working Capital Escrow Account, in accordance with the terms of the Escrow Agreement.

(ii) If the Purchase Price as ultimately determined pursuant to Section 2.5(c) is less than the Estimated Purchase Price, the Shareholders Representative and the Buyer shall promptly (but in any event within five (5) Business Days after the final determination of the Purchase Price in accordance with Section 2.5(c)) deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to pay from the Working Capital Escrow Account (and, if the funds in the Working Capital Escrow Account are insufficient to cover such shortfall, then also from the Indemnity Escrow Amount) to an account or accounts designed by the Buyer the total amount of such shortfall plus any costs and expenses awarded to Buyer by the Dispute Resolution Firm by wire transfer of immediately available funds to an account or accounts designated by the Buyer. Immediately following payment of any amounts determined pursuant to Section 2.5(c) and this Section 2.5(d)(ii) to be owing to the Buyer, the Shareholders Representative and the Buyer shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to pay to the Payment Agent (for distribution to the Shareholders) all remaining funds (if any) in the Working Capital Escrow Account, in accordance with the terms of the Escrow Agreement.

**ARTICLE III.  
REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

Except as set forth on the applicable Disclosure Schedules (it being understood that any matter disclosed in any Schedule will be deemed to be disclosed on any other Schedule to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other Schedule or Schedules), the Company represents and warrants to Buyer as of the date hereof and as of the Closing Date, as follows:

Section 3.1 Organization and Corporate Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, and the Company has all requisite corporate power and authority and all authorizations, licenses and permits necessary to own and operate its properties and to carry on its businesses as now conducted, except where the failure to hold such authorizations, licenses and permits would not have a Material Adverse Effect. The Company is qualified to do business in every jurisdiction in which its ownership of property or the conduct of its business as now conducted requires it to qualify, except where the failure to be so qualified would not have a Material Adverse Effect.

Section 3.2 Subsidiaries. The Company does not own or hold the right to acquire any stock, partnership interest, joint venture interest or other equity ownership interest in any other Person. There are no outstanding obligations to provide funds to or make an investment in any other Person.

Section 3.3 Authorization; Valid and Binding Agreement. The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by the Company and the consummation of the Transaction have been duly and validly authorized by all requisite action on the part of the Company, and no other proceedings on the Company's part are necessary to authorize the execution, delivery or performance of this Agreement and the other Transaction Documents to which it is a party. Assuming that each of this Agreement and the other Transaction Documents to which it is a party is a valid and binding obligation of Buyer, each of this Agreement and such other Transaction Documents constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

Section 3.4 No Breach.

(a) The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by the Company and the consummation of the Transaction do not conflict with or result in any breach of, constitute a default under (with or without notice or lapse of time or both), give rise to any right of termination, cancellation, modification or acceleration of any right or obligation of the Company or to a loss of any benefit to which the Company is entitled, result in a violation of, or result in the creation of any Lien upon any assets of the Company pursuant to (i) the provisions of the Company's Articles of Incorporation or bylaws, (ii) any Material Contract, or (iii) any law, statute, rule or regulation, order, judgment or decree to which the Company, or any of the assets owned or used by the Company, is subject, except in the case of clauses (ii) and (iii) to the extent that it would not have a Material Adverse Effect.

(b) Except for the filing of the Certificate of Merger as described in Section 1.2, the approval of this Agreement and the Transaction by the Requisite Shareholders, or as set forth on Schedule 3.4(b), the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by the Company and the consummation of the Transaction do not require any authorization, consent, approval, exemption or other action by or notice to any court, other Governmental Body or other third party under (i) the provisions of the

Company's Articles of Incorporation or bylaws, (ii) any Material Contract, or (iii) any law, statute, rule or regulation, order, judgment or decree to which the Company, or any of the assets owned or used by the Company, is subject.

### Section 3.5 Capital Stock.

(a) The authorized capital of the Company consists of (i) One Hundred Million (100,000,000) shares of Common Stock of the Company, of which Five Million, Four Hundred Seventy-Six Thousand, Nineteen (5,476,019) shares (and no more) are issued and outstanding and fully paid and non-assessable (the "Shares"), and (ii) Twenty Million (20,000,000) shares of Preferred Stock of the Company, of which none are issued and outstanding. The Shares have been duly authorized, are validly issued and are fully paid and non-assessable and were not issued in violation of any preemptive rights, rights of first refusal, rights of first offer, purchase options, call options or other similar rights of any Person.

(b) The Company has reserved 949,683 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its Equity Incentive Plan, Amended and Restated as of February 22, 2007, duly adopted by the Board of Directors and approved by the Company stockholders (the "Stock Plan"). Of such reserved shares of Common Stock, options to purchase 100,000 shares have been granted and are currently outstanding (the "T3 Options").

(c) Schedule 1 attached hereto contains a complete and accurate list of (i) the name and registered address of each Person that owns or claims a direct or indirect beneficial interest in the Shares and the T3 Options (collectively, the "Shareholders" and each, a "Shareholder"), and (ii) the number of Shares or T3 Options claimed by each Shareholder as of the date indicated on Schedule 1, which shall be updated by the Company just prior to the Closing.

(d) Except as set forth on Schedule 1, there are no outstanding (i) shares of capital stock or other equity interests or voting securities of the Company, (ii) securities convertible or exchangeable into capital stock or other equity interests or voting securities of the Company, (iii) options, warrants, purchase rights, subscription rights, preemptive rights, conversion rights, exchange rights, calls, puts, rights of first refusal, redemption rights or other contracts that require the Company to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem capital stock or other equity interests or voting securities of the Company, (iv) stock appreciation, phantom stock, profit participation or similar rights with respect to the Company, (v) declared or accrued dividends, sinking funds or other obligation to make any distributions or other payments in relation to any outstanding equity interests or voting securities of the Company, or (vi) voting trusts, proxies, shareholder agreements or other understandings relating to the voting of any outstanding voting securities of the Company.

(e) The Company has taken all action necessary under the Stock Plan to (i) cancel as of the Closing Date all T3 Options on the Closing Date, and (ii) ensure that, from and after the Closing, each holder of a T3 Option shall have only the rights to the payments provided in Section 2.4.

Section 3.6 Financial Statements. Schedule 3.6 attached hereto consists of: (i) the unaudited consolidated balance sheet of the Company, excluding ITV, as of December 31, 2016 (the "Latest Balance Sheet") and the related consolidated statements of operations and cash flows for the twelve (12)-month period then ended, (ii) the unaudited consolidated balance sheet of the Company, excluding ITV, as of March 31, 2017 and the related consolidated statements of operations and cash flows for the three (3)-month period then ended (iii) the unaudited consolidated balance sheet and related consolidated statements of operations and cash flows of the Company as of and for the fiscal years ended December 31, 2015 and 2014, in each case excluding ITV, and (iv) the audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2014 and 2015, in each case including ITV (all such financial statements referred to in clauses (i) through (iv), the "Financial Statements"). The Financial Statements present fairly in all material respects the financial condition, cash flows and results of operations of the Company, on the basis presented, as of the times and for the periods referred to therein and are prepared in accordance with GAAP, consistently applied (subject in the case of the unaudited Financial Statements to (x) the absence of footnote disclosures and other presentation items and (y) changes resulting from normal year-end adjustments, none of which are material), except as otherwise noted therein.

Section 3.7 No Liabilities. The Company does not have any liabilities of any nature that would be required to be disclosed on a balance sheet of the Company prepared in accordance with GAAP, except for (i) liabilities reflected or reserved against in the Financial Statements; (ii) liabilities disclosed in this Agreement or the Disclosure Schedules; (iii) liabilities incurred in the ordinary course of business after the date of the Latest Balance Sheet, which individually or in the aggregate would not have a Material Adverse Effect or (iv) liabilities incurred as part of the Relocation and not in breach of Section 5.2.

Section 3.8 Absence of Certain Developments. Since December 31, 2015, the Business has been operated in the ordinary course, other than the Relocation, should it occur, and no event, fact or circumstance has occurred that could reasonably be expected to have a Material Adverse Effect. Except in connection with the Relocation, if applicable, or as otherwise set forth on Schedule 3.8 or as expressly contemplated by this Agreement, since the date of the Latest Balance Sheet, the Company has not (and in connection with the Relocation, has not in excess of the limits provided for in Section 5.2):

(a) issued, sold, redeemed, retired or reacquired any of its capital stock or other equity securities, securities convertible into its capital stock or other equity securities, or warrants, options or other rights to subscribe for or acquire its capital stock or other equity securities;

(b) declared, paid, set aside or made provision for any dividends or distributions on or in respect of any of its capital stock or other equity interests;

(c) split, exchanged, combined or reclassified any of its capital stock or other equity interests;

(d) adopted a plan of merger, consolidation, reorganization, liquidation or dissolution or filed a petition in bankruptcy under any provision of federal or state bankruptcy,

insolvency, accommodation or debtor relief law or consented to the filing of any such proceeding under any similar law;

(e) purchased, leased or otherwise acquired any property or asset for an amount in excess of \$50,000, individually (or in the case of a lease, per annum), or \$150,000 in the aggregate (or in the case of a lease, for the entire term of the lease, not including any option term);

(f) incurred, assumed, guaranteed or otherwise become obligated with respect to any indebtedness for borrowed money except borrowings under existing credit lines in the ordinary course of business;

(g) mortgaged, pledged, created, granted or otherwise subjected any of its material assets or properties to a Lien other than Permitted Liens;

(h) sold, assigned, leased or otherwise transferred any material portion of its tangible or intangible assets, other than ITV, except in the ordinary course of business;

(i) sold, assigned, licensed or otherwise transferred any Intellectual Property, except in the ordinary course of business;

(j) cancelled, compromised, amended, terminated, relinquished, waived, accelerated, released or otherwise modified any debts owed by or claims against another Person;

(k) suffered, sustained or otherwise incurred any material damage, destruction or loss, or any material interruption in use, of its properties, whether or not covered by insurance;

(l) made any material capital investment in, or any material loan to, any other Person, except in the ordinary course of business;

(m) to the Company's knowledge, suffered an adverse change in the relationship of the Company with any material customer, supplier, distributor, reseller or sales representative;

(n) adopted, terminated or made any material changes in its employee benefit plans or made any material changes in wages, salary or other compensation with respect to its officers, directors or employees, in each case other than changes made in the ordinary course of business or pursuant to existing agreements or arrangements or as required to comply with applicable law;

(o) paid, lent or advanced (other than the payment of salary and benefits in the ordinary course of business or the payment, advance or reimbursement of expenses in the ordinary course of business) any amounts to, or sold, transferred or leased any of its assets to, or entered into any other transactions with, any of the Shareholders or any of the Company's directors or officers other than the sale of ITV to Jeremy Stakely;

(p) made a material change in its accounting or Tax methods, elections, practices or policies, entered into any material agreement relating to Taxes, or settled or compromised any claim relating to Taxes;

(q) commenced or settled any litigation involving an amount in excess of \$50,000 for any one case; or

(r) committed to do any of the foregoing.

#### Section 3.9 Title to Properties.

(a) The Company owns good title to, or holds pursuant to valid and enforceable leases, all of the personal property shown to be owned or leased by it on the Latest Balance Sheet or necessary for the operation of the Business in the ordinary course, free and clear of all Liens, except for Permitted Liens, and except for assets disposed of by the Company in the ordinary course of business consistent with past practices since the date of the Latest Balance Sheet or as expressly contemplated by this Agreement, including Section 6.2(g) and the Relocation to the extent that the Relocation is in compliance with the restrictions set forth in Section 5.2.

(b) The Company does not own any real property. The real property listed on Schedule 3.9(b) (the "Leased Real Property") constitutes all of the real property used by the Company in the operation of the Business as currently conducted. Schedule 3.9(b) also sets forth a list of all leases and subleases pursuant to which the Company holds any Leased Real Property and a description of any real properties the Company proposes to enter into a lease for prior to the Closing (collectively, "Leases"). Except as set forth on Schedule 3.9(b), the Company holds a valid and existing leasehold interest in the Leased Real Property (including any leasehold improvements) under each such Lease, free and clear of all Liens, except for Permitted Liens, and (i) the Company has paid or accrued on the Latest Balance Sheet all rent and other amounts due and payable under the Leases, (ii) neither the Company nor, to the Company's knowledge, any other party is in default in any material respect under any Lease, (iii) each Lease is in full force and effect and constitutes a valid and binding obligation of each party thereto, and (iv) the Company has not subleased, assigned or otherwise granted to any Person the right to use or occupy the Leased Real Property. The Company has delivered or made available to Buyer complete and accurate copies of each Lease, and none of such Leases has been modified in any material respect, except to the extent that such modifications are disclosed by the copies delivered or made available to Buyer.

(c) The Leased Real Property is being used, occupied and maintained in accordance in all material respects with all applicable building codes, zoning ordinances, easements, contracts, permits, insurance requirements, restrictions, building setback lines, covenants and reservations, and in compliance in all material respects with all laws and regulations of any Governmental Body. Certificates of occupancy and all other material licenses, permits, authorizations, and approvals required by any Governmental Body have been issued for the occupancy and use of the Leased Real Property have been issued to the Company and are in full force and effect.

(d) The Company has not received written notice of any existing, pending or threatened (i) material violations of building codes, zoning ordinances, easements, contracts, permits, insurance requirements, restrictions, building setback lines, covenants and reservations or of any laws or regulations of any Governmental Body affecting the Leased Real Property, or (ii) condemnation proceedings affecting the Leased Real Property that could reasonably be expected to materially adversely affect the use of the Leased Real Property.

Section 3.10 Condition of Assets. Except as set for on Schedule 3.10, the material buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of material tangible personal property owned, leased and used by the Company in the Business are structurally sound, in good operating condition and repair, and adequate for the uses to which they are being put. The Company has not deferred or delayed any material maintenance or repairs and none of such material buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of material tangible personal property is in need of material maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

Section 3.11 Tax Matters. Except as set forth on Schedule 3.11:

(a) all Tax Returns required to be filed on or before the Closing Date by or with respect to the Company have been duly and timely filed with the appropriate Governmental Body;

(b) all information provided in each such Tax Return is true, correct and complete in all material respects;

(c) all material Taxes owed by the Company that are or have become due have been timely paid in full, whether disputed or not, whether or not shown on any Tax Return;

(d) no material penalty, interest or other charge is or will become due with respect to the late filing of any such Tax Return or late payment of any such Tax;

(e) all material Tax withholding and deposit requirements imposed on or with respect to the Company or any amounts paid or owed by the Company to its employees, independent contractors, creditors, shareholders, or other third parties in connection with such Tax withholding and deposit requirements have been satisfied in full in all respects;

(f) there are no Liens (other than Permitted Liens) on any assets of the Company for unpaid Taxes or that arose in connection with any failure (or alleged failure) to pay any Tax;

(g) there is no claim pending or threatened in writing by any Governmental Body with respect to any Taxes due from the Company, and no assessment, deficiency, or adjustment has been asserted, proposed, or threatened in writing with respect to any Taxes due from, or Tax Returns required to be filed by, the Company;

(h) no Tax audits or administrative or judicial proceedings are being conducted or have been threatened in writing with respect to the Company;



(i) no claim has ever been received in writing from a Governmental Body in a jurisdiction in which the Company does not file Tax Returns that the Company is or may be required to file a Tax Return in that jurisdiction;

(j) the Company is not doing and has not done business in or engaged in a material trade or business in any jurisdiction in which it would legally be required to file applicable Tax Returns where it has not filed such Tax Returns;

(k) true, correct and complete copies of all Tax Returns filed by the Company during the past three years, which returns included ITV, and all material correspondence between the Company and a Governmental Body relating to such Tax Returns or Taxes due from the Company, have been made available to Buyer;

(l) The Company has not made or rescinded any material election relating to Taxes, or, except as may be required by law, made any material change to any method of reporting income or deductions for Tax purposes, since the period covered by the last Tax Return described in Section 3.11(k);

(m) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the (i) filing of any Tax Returns of or with respect to the Company, or (ii) assessment or payment of any Tax owed by the Company;

(n) the Company has not entered into any agreement or arrangement with any Governmental Body that requires the Company to take any action or to refrain from taking any action in order to secure Tax benefits, and the Company is not a party to any agreement with any Governmental Body relating to Taxes that would be terminated or adversely affected as a result of the Transaction;

(o) the Company is not and has not previously been a member of any affiliated, consolidated, combined or unitary group of companies for Tax purposes or a party to any Tax sharing, allocation, or indemnity agreement or arrangement and has no obligation to indemnify or make a payment to any Person in respect of any Tax for any past, current or future period as a transferee or successor, by contract or otherwise;

(p) no Shareholder is a "foreign person" as that term is used in Section 1.1445-2 of the Treasury Regulations;

(q) the Company is not party to any contractual obligation nor has otherwise made any payment that could result in any "excess parachute payment" within the meaning of Section 280G of the Code or in the imposition of an excise Tax under Section 4999 of the Code (or any corresponding provisions of state, local or foreign Tax law) or that was or would not be deductible under Sections 162 or 404 of the Code in connection with the Transaction;

(r) the Company does not own any property of a character, the indirect transfer of which, pursuant to this Agreement, would give rise to any documentary, stamp, or other transfer Tax;

(s) the Company has not been a “distributing corporation” or a “controlled corporation” within the meaning of Section 355(a)(1)(A) of the Code;

(t) no closing agreements, private letter rulings, technical advice memoranda or similar agreements or rulings relating to Taxes have been entered into or issued by any Governmental Body with or in respect of any of the Company;

(u) the Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date, with respect to which a corresponding amount has previously accrued or been taken into account by the Company (including for purposes of the Financial Statements) as a result on or before the Closing Date of: (i) a change in accounting method; (ii) an agreement with any Governmental Body; (iii) the Company’s method of accounting for Tax purposes (including, without limitation, the use or application of the installment sale or open transaction method of accounting, the completed contract method of accounting, the long-term contract method of accounting or the cash or accrual method of accounting); (iv) any prepaid amount received on or prior to the Closing Date; or (v) any election under Section 108(i) of the Code made on or prior to the Closing Date; and

(v) the Company has disclosed on its Tax Returns all positions taken therein that could give rise to a substantial understatement of Tax within the meaning of Section 6662 of the Code (or any similar provision of state, local or foreign law) and has never (i) participated (within the meaning of Treasury Regulations § 1.6011-4(c)(3)) in any “reportable transaction” within the meaning of Section 6707A(c)(1) of the Code and/or Treasury Regulations § 1.6011-4(b) (and all predecessor regulations); (ii) claimed any deduction, credit, or other tax benefit by reason of any “tax shelter” within the meaning of former Section 6111(c) of the Code and the Treasury Regulations thereunder or any “confidential corporate tax shelter” within the meaning of former Section 6111(d) of the Code and the Treasury Regulations thereunder; or (iii) purchased or otherwise acquired an interest in any “potentially abusive tax shelter” within the meaning of former Treasury Regulations § 301.6112-1.

Section 3.12 Permits. Schedule 3.12 lists all material permits, licenses, certificates, authorizations and approvals granted by any Governmental Body and used or held by the Company or required in connection with the operation of the Business. The Company presently holds all such permits, licenses, certificates, authorizations and approvals required for the operation of the Business as it is presently conducted, the Company is not in default thereunder, and no condition exists that with notice or lapse of time or both would constitute a default thereunder.

### Section 3.13 Contracts and Commitments.

(a) Except as set forth on Schedule 3.13, the Company is not a party to any:

(i) contract or agreement relating to the merger or consolidation with any Person, the direct or indirect purchase, sale, issuance or other acquisition or disposition of the stock or other equity interests of any Person, or the purchase, sale, lease, license or other transfer of substantially all of the assets of any Person;

-----

(ii) contract or agreement involving aggregate consideration in excess of \$100,000 that is not cancellable without penalty on 30 days' or less notice;

(iii) collective bargaining agreement or contract with any labor union;

(iv) contract or agreement with a Government Body;

(v) joint venture, partnership or similar arrangements;

(vi) contract or agreement for the employment of any officer, individual employee or other person on a full-time or consulting basis providing for fixed compensation in excess of \$100,000 per annum;

(vii) contract between the Company and any Shareholder other than any employment or consulting agreement;

(viii) contract, agreement or indenture creating or guarantying an obligation for borrowed money or mortgaging, pledging or otherwise placing a Lien (other than a Permitted Lien) on any portion of the assets or properties;

(ix) contract or agreement that provides for the indemnification of any Person or the assumption of any Tax, environmental or other liability or obligation of any Person;

(x) contract or other arrangement to purchase or sell a stated portion of the requirements or outputs or that contain "take or pay" provisions;

(xi) contract that grants to any Person the exclusive right to sell products or services within a specific territory or prohibits the Company from freely engaging in business anywhere in the world (other than confidentiality agreements entered into in the ordinary course of business); or

(xii) contract or agreement involving aggregate consideration in excess of \$100,000 that is material to the operation of the business in the ordinary course and is not previously disclosed pursuant to this Section 3.13.

(b) Buyer has been given access to a true and correct copy of all written contracts listed on Schedule 3.13 (the "Material Contracts"), together with all amendments, waivers or other changes thereto.

(c) Except as set forth on Schedule 3.13, (i) each Material Contract is the legal, valid obligation of the Company and, to the Company's knowledge, each other Person party thereto, in full force and effect, and binding and enforceable against the Company and, to the Company's knowledge, any other Person party thereto in accordance with its terms, (ii) neither the Company nor, to the Company's knowledge, any other Person party to any Material Contract is in material breach or default thereunder and no event has occurred that with notice or lapse of time, or both, would constitute a material breach or default, or permit termination, acceleration of any obligation or modification of any Material Contract in any

manner adverse to the Company, and (iii) no party has asserted in writing or has any right to offset, discount or otherwise abate any amount owing under any Material Contract except as expressly set forth in such Material Contract.

Section 3.14 Intellectual Property.

(a) Schedule 3.14(a) sets forth a list, as of the date hereof, of all (i) patents and patent applications, (ii) internet domain name registrations, web addresses, web pages, websites, social media accounts and URLs, (iii) trademarks, service marks, trade names, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, and all registrations, renewals and applications relating thereto, (iv) works of authorship, expressions, designs and copyrights, including all registrations, renewals and applications, (v) inventions, discoveries, trade secrets, business and technical information and knowhow, and other confidential and proprietary information, and (vi) software and firmware, databases and data collections, in each case that are owned by the Company and material to the conduct of the Business (collectively, the “Intellectual Property”).

(b) Except as set forth on Schedule 3.14(b):

(i) the Company has all intellectual property rights necessary for the conduct of the Business as presently conducted;

(ii) no royalty or other remuneration exceeding an annual fee of \$50,000, is payable by the Company, with respect to any intellectual property rights of another Person;

(iii) the Company is not currently infringing on any intellectual property rights of any other Person;

(iv) to the Company’s knowledge, no other Person is currently infringing on the Intellectual Property;

(v) the Company possesses all right, title and interest in and to each item of Intellectual Property, free and clear of any Lien;

(vi) the Company has not granted any other Person a written license or any other written permission to copy, distribute or otherwise use any item of Intellectual Property; and

(vii) there is not presently any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand (that may be pending or threatened in writing) against the Company which challenges the validity or enforceability of any registered item of Intellectual Property or that alleges that the use of any item of Intellectual Property infringes on the intellectual property rights of another Person.

(c) The Company takes reasonable precautions to prevent unauthorized disclosure of its trade secrets that are material to its business.

Section 3.15 Litigation. Except as set forth on Schedule 3.15, there are no suits or proceedings pending or, to the Company's knowledge, overtly threatened against the Company, at law or in equity, or before or by any Governmental Body, which, if determined adversely to the Company, would have a Material Adverse Effect. The Company is not subject to any outstanding judgment, order or decree of any court or other Governmental Body.

Section 3.16 Employee Benefit Plans.

(a) Except as listed on Schedule 3.16(a), neither the Company nor any Person that would be treated together with the Company as a "single employer" (within the meaning of Section 414 of Code) (each, an "ERISA Affiliate") has maintained, sponsored, contributed to, or been required to contribute to, any pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement, in each case whether or not reduced to writing and whether funded or unfunded, including any "pension plans" (as defined under Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) (the "Pension Plans"), and "welfare plans" (as defined under Section 3(1) of ERISA) (the "Welfare Plans"), whether or not tax-qualified and whether or not subject to ERISA, (the "Plans") for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of the Company or any spouse or dependent of such individual, or under which the Company or any ERISA Affiliate has or may have any liability or obligation.

(b) With respect to each Plan, the Company has made available to Buyer accurate, current and complete copies of each of: (i) where the Plan has been reduced to writing, the plan document together with all amendments, (ii) where the Plan has not been reduced to writing, a written summary of all material plan terms, (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, as now in effect, (iv) copies of any summary plan descriptions, summaries of material modifications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Plan, (v) in the case of any Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service, (vi) in the case of any Plan for which a Form 5500 is required to be filed, a copy of the two most recently filed Form 5500, with schedules and financial statements attached, (vii) the most recent nondiscrimination tests performed under the Code, and (viii) copies of material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, or other Governmental Body relating to the Plan.

(c) Each Plan complies in form and in operation in all material respects with the requirements of the Plan, the Code and ERISA.

(d) Except as set forth on Schedule 3.16(d), (i) none of the Plans are subject to Title IV of ERISA or provide for medical or life insurance benefits to retired or former employees of the Company (other than as required under Section 4980B of the Code, or similar

state law), and (ii) the Company is not a participating or contributing employer in any “multiemployer plan” (as defined in Section 3(37) of ERISA), a “multiple employer plan” (within the meaning of Section 413(c) of the Code), or a “multiple employer welfare arrangement” (as defined in Section 3(40) of ERISA) and neither the Company nor any ERISA Affiliate has incurred any withdrawal liability with respect to any multiemployer plan or any liability in connection with the termination or reorganization of any multiemployer plan.

(e) Each Plan that is intended to be qualified under Section 401(a) of the Code (a “Qualified Plan”) is so qualified and has received a favorable and current determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Qualified Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Plan. Nothing has occurred with respect to any Plan that has subjected or could reasonably be expected to subject the Company or any ERISA Affiliates to a penalty under Section 502 of ERISA or to tax or penalty under Section 4975 of the Code. All benefits, contributions and premiums relating to each Plan have been timely paid in accordance with the terms of such Plan and all applicable laws and regulations of Governmental Bodies and accounting principles, and all benefits accrued under any unfunded Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with GAAP.

Section 3.17 Insurance. Schedule 3.17 lists (i) each insurance policy currently maintained by the Company, and (ii) all pending claims and the claims history since January 1, 2014. Except as set forth on Schedule 3.17, there are no claims pending as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. All such insurance policies are in full force and effect. The Company has not received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such insurance policies. All premiums due on such insurance policies have either been paid or, if not yet due, accrued on the Latest Balance Sheet. The Company is not in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such insurance policy. All insurance policies will continue to be in full force and effect immediately after the Closing.

Section 3.18 Compliance with Laws. The Company is, and during all times since January 1, 2014 has been, in compliance in all material respects with all applicable laws and regulations of Governmental Bodies.

#### Section 3.19 Environmental Matters.

(a) The Company is, and during all times since January 1, 2014 has been, in compliance in all material respects with all Environmental Laws and no facts, events, circumstances or conditions exist that could reasonably be expected to materially adversely affect the continued compliance with Environmental Laws or require material capital expenditures to achieve or maintain such continued compliance with Environmental Laws.

(b) The Company is not subject to any outstanding judgment, order or decree of any court or other Governmental Body pursuant to any Environmental Laws. There are no suits or proceedings pending or, to the Company's knowledge, overtly threatened against the Company, pursuant to Environmental Laws. The Company has not received: (i) written notice of an actual or alleged violation of Environmental Law or any claim for investigation costs, cleanup costs, response costs, corrective action costs, personal injury, property damage, natural resource damage or attorney fees under Environmental Law, or (ii) written request for information pursuant to Environmental Law.

(c) The Company has obtained and is in material compliance with all authorizations, licenses and permits required under Environmental Law and necessary to carry on the Business as now conducted or the ownership, lease, operation or use of its properties and all such authorizations. All such authorizations, licenses and permits are in full force and effect. The Company has not received any written notice that any of such authorizations, licenses or permits will be revoked or that any pending application for the renewal of any authorization, license or permit will be protested or denied. To the knowledge of the Company, there is no condition, event or circumstance that, under Environmental Law, might prevent or impede the conduct of the Business or the ownership, lease, operation or use of the Company's properties after the Closing.

(d) None of the real property currently or formerly owned, leased or operated by the Company is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

(e) There has been no release of Hazardous Substances in contravention of Environmental Law with respect to the operation of the Business or any real property currently or formerly owned, leased or operated by the Company. The Company has not received written notice from any Person that the Business or the real property currently or formerly owned, leased or operated by the Company (including soils, groundwater, surface water, buildings and other structure located thereon) has been contaminated with any Hazardous Substances which could reasonably be expected to result in a claim for a violation of Environmental Law or investigation costs, cleanup costs, response costs, corrective action costs, personal injury, property damage, natural resource damage or attorney fees under Environmental Law.

(f) The Company has not received written notice asserting an alleged liability or obligation under any Environmental Law with respect to investigatory, remedial, monitoring or restoration actions at any location where the Company transported or disposed or arranged for the transport or disposal of any Hazardous Substances, and, to the Company's knowledge, there are no facts, events, circumstances or conditions that would reasonably be expected to result in the receipt of such notice.

(g) To the knowledge of the Company, there has been no exposure of any Person or property to Hazardous Substances in connection with Company or the Business that could reasonably be expected to form the basis of a claim for damages or compensation.

(h) The Company has not retained or assumed by contract, operation of law, or otherwise, any liabilities or obligations of another Person under Environmental Law.

(i) The Company has provided or otherwise made available to Buyer (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents in the possession or control of the Company with respect to the Business or any real property currently or formerly owned, leased or operated by the Company, and (ii) any and all material documents concerning planned or anticipated capital expenditures required to reduce, offset, limit or otherwise control pollution and/or emissions, manage waste or otherwise ensure compliance with current or future Environmental Laws (including costs of remediation, pollution control equipment and operational changes).

Section 3.20 Affiliated Transactions. No Shareholder, or any officer or director of the Company, or, to the Company's knowledge, any individual in such Shareholder's, or such officer's or director's immediate family, is a party to any agreement, contract, commitment or transaction with the Company or has any interest in any property used by the Company.

Section 3.21 Employment and Labor Matters.

(a) The Company is not a party to, bound by, or negotiating any collective bargaining agreement or other contract with a union, works council or labor organization, and no union, works council or labor organization is representing or purporting to represent any employee of the Company. To the Company's knowledge, no labor organization or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining.

(b) There has never been any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting the Company.

(c) The Company is, and at all times since January 1, 2014 has been, in compliance in all material respects with all applicable laws and regulations pertaining to employment and employment practices to the extent they relate to employees of the Company, including all laws relating to labor relations, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers' compensation, leaves of absence and unemployment insurance. There are no proceedings against the Company pending, or to the Company's knowledge, threatened to be brought or filed, by or with any Governmental Body or arbitrator in connection with the employment of any current or former applicant, employee, consultant or independent contractor of the Company, including any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay, wages and hours or any other employment related matter arising under applicable laws.

Section 3.22 Customers and Suppliers. Schedule 3.22 sets forth a list of ten (10) largest customers and the ten (10) largest suppliers of the Company, in each case as measured by the dollar amount of purchases therefrom or thereby, during (i) the fiscal year ended December 31, 2015, (ii) the fiscal year ended December 31, 2016, and (iii) the twelve-months ended as of the



date of the Latest Balance Sheet. No such customer or supplier has notified the Company in writing, or to the Company's knowledge otherwise, that it intends to terminate or materially reduce its business with the Company or change in any significant adverse manner the material terms on which such customer or supplier conducts business with the Company.

Section 3.23 Brokerage. Except as set forth on Schedule 3.23, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transaction based on any arrangement or agreement made by or on behalf of the Company.

Section 3.24 Certain Payments.

(a) The Company is, and during all times since January 1, 2014 has been, in compliance with (i) the obligations and requirements of the United States Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), including the anti-bribery provisions and the accounting and record-keeping requirements set forth in the FCPA; (ii) the principles set out in the Organization for Economic Cooperation and Development Convention Combating Bribery of Foreign Public Officials in International Business Transactions; and (iii) all other similar or equivalent anti-corruption or anti-bribery laws of any jurisdiction applicable to the Company (whether by virtue of the Company's jurisdiction of organization or conduct of its business) (clauses (i), (ii) and (iii) collectively, "Anti-Corruption Laws").

(b) Neither the Company nor any Shareholder, nor any Person acting for or on behalf of the Company has, at any time since January 1, 2014:

(i) made, directly or indirectly, any payment or promise to pay, or gift or promise to give or authorized such a promise or gift, of any money or anything of value, directly or indirectly, (A) to (1) any "foreign official" (as such term is defined in the FCPA) for the purpose of influencing any official act or decision of such official or inducing him or her to use his or her influence to affect any act or decision of a foreign Governmental Body, or (2) any foreign political party or official thereof or candidate for foreign political office for the purpose of influencing any official act or decision of such party, official or candidate or inducing such party, official or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Body, in the case of both clause (1) and (2) above, in order to assist the Company to obtain or retain business for, or direct business to, the Company under circumstances which could reasonably be expected to subject the Company to liability under any Anti-Corruption Law or (B) that is otherwise illegal or improper under any Anti-Corruption Law; or

(ii) made any fraudulent entry on the books or records of the Company.

**ARTICLE IV.  
REPRESENTATIONS AND WARRANTIES OF BUYER AND ACQUISITION  
COMPANY**

Buyer and Acquisition Company jointly and severally represent and warrant to the Shareholders and the Company as of the date hereof and as of the Closing Date, as follows:

Section 4.1 Organization and Power.

(a) Buyer is a Nevada corporation duly incorporated, validly existing and in good standing under the laws of the state of Nevada, with full corporate power and authority to enter into this Agreement and each other Transaction Document to which it is a party and to perform its obligations hereunder and thereunder.

(b) Acquisition Company is a Florida corporation duly organized, validly existing and in good standing under the laws of the state of Florida, with full organizational power and authority to enter into this Agreement and each other Transaction Document to which it is a party and to perform its obligations hereunder and thereunder.

Section 4.2 Authorization; Valid and Binding Agreement. The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by Buyer and Acquisition Company and the consummation of the Transaction and the Merger have been duly and validly authorized by all requisite entity action on the part of Buyer and Acquisition Company, and no other proceedings on Buyer's or Acquisition Company's part are necessary to authorize the execution, delivery or performance of this Agreement and the other Transaction Documents to which it is a party. Assuming that each of this Agreement and the other Transaction Documents to which it is a party is a valid and binding obligation of the Company and the Shareholders Representative, this Agreement and each such other Transaction Document constitutes a valid and binding obligation of Buyer and Acquisition Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

Section 4.3 No Breach. The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by Buyer and Acquisition Company and the consummation of the Transaction do not conflict with or result in any breach of, constitute a default under (with or without notice or lapse of time or both), result in a violation of, or result in the creation of any Lien upon any assets of Buyer or Acquisition Company pursuant to (i) the provisions of Buyer's or Acquisition Company's organizational documents, (ii) any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which Buyer or Acquisition Company is bound, or (iii) any law, statute, rule or regulation, order, judgment or decree to which Buyer or Acquisition Company is subject. The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by Buyer and Acquisition Company and the consummation of the Transaction do not require any authorization, consent, approval, exemption or other action by or notice to any court, other Governmental Body or other third party under (i) the provisions of Buyer's or Acquisition Company's organizational documents, (ii) any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Buyer or Acquisition Company is bound, or (iii) any law, statute, rule or regulation, order, judgment or decree to which Buyer or Acquisition Company is subject.

Section 4.4 Litigation. There are no actions, suits or proceedings pending or, to Buyer's knowledge, overtly threatened against or affecting Buyer or Acquisition Company, at law or in equity, or before or by any Governmental Body, which would adversely affect Buyer's or Acquisition Company performance under this Agreement or the consummation of the

Transaction. Neither Buyer nor Acquisition Company is subject to any outstanding judgment, order or decree of any court or other Governmental Body.

Section 4.5 Brokerage. Except as set forth on Schedule 4.5, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transaction based on any arrangement or agreement made by or on behalf of Buyer or Acquisition Company.

Section 4.6 Financial Ability. Buyer has, or will have on the Closing Date, sufficient immediately available funds in cash to pay the Purchase Price and all fees and expenses to be paid by Buyer. After giving effect to the consummation of the Transaction, Buyer will have the financial resources and ability to pay and discharge its debts as they become due. Schedule 4.6 attached hereto contains evidence satisfactory to the Sellers of the amount of Buyer's Cash on Hand and financing commitments in amounts sufficient to cover the Purchase Price at Closing.

## **ARTICLE V. COVENANTS**

Section 5.1 Filing of Certificate of Merger. Buyer shall file or cause to be filed the Certificate of Merger immediately following the Closing and shall take all actions reasonably necessary to cause the Merger to be effective as of the Closing Date.

Section 5.2 Conduct of Business Prior to Closing. From the date hereof until the earlier of the Closing and the termination of this Agreement in accordance with Section 8.1, except (i) as expressly contemplated hereunder (including in connection with the Relocation), (ii) as required by law, (iii) if the Buyer shall have consented in advance in writing or (iv) as set forth on Schedule 5.2, the Company shall (and shall cause each of its Subsidiaries to) conduct the Business of the Company in the ordinary course of business consistent with past practice and use commercially reasonable efforts to preserve the goodwill and organization of its business and the relationships with customers, suppliers, vendors, officers, employees, consultants and other Persons having business relations with the Company and its Subsidiaries, and the Company shall not, and shall cause each of its Subsidiaries not to:

(a) issue, sell or deliver any capital stock or issue or sell any securities convertible, exercisable or exchangeable into, or options with respect to, or warrants to purchase or rights to subscribe for, any capital stock, or stock appreciation, phantom stock, profit participation or similar rights, or any notes, bond or debt securities;

(b) effect any recapitalization, reclassification, stock dividend, stock split or similar change in capitalization;

(c) amend its certificate or articles of incorporation or bylaws (or equivalent organizational documents);

(d) make any redemption or purchase of any equity interests, including the Shares unless such redemption or purchase of the equity interests is part of a distribution of the Remainder Cash at or immediately prior to Closing;

(e) sell, assign, transfer, mortgage, pledge, lease, license, sublicense or subject to any Lien, except Permitted Liens, charge or otherwise encumber all or any portion of its assets, other than sales, assignments and transfers of assets in the ordinary course;

(f) make any capital investment in, or any capital contribution or loan or advance to, or guaranty for the benefit of, any other Person;

(g) without Buyer's consent, make any capital expenditures or commitments therefor other than those amounts up to \$250,000 set forth on Schedule 5.2 in connection with or in anticipation of the Relocation (it being understood that the amounts set forth with respect to each expenditure or commitment on Schedule 5.2 are estimates only and actual incurrences or commitments may vary provided that the total of them all does not exceed \$250,000 or such other amount as may be agreed to by Buyer);

(h) make any loan to, or enter into any other transaction with, any directors, or officers or employees, other than immaterial loans or transactions made or entered into in the outside the ordinary course of business consistent with past practice;

(i) without Buyer's consent, incur any Indebtedness other than those amounts up to \$250,000 set forth on Schedule 5.2 that are in connection with or in anticipation of the Relocation (it being understood that the amounts set forth with respect to each item of Indebtedness on Schedule 5.2 are estimates only and actual incurrences may vary provided that the total of them all does not exceed \$250,000 or such other amount as may be agreed to by Buyer);

(j) enter into any real property Lease, without the prior written consent of Buyer;

(k) make or grant any bonus or any wage or salary increase to any director, officer, employee or group of employees, other than in the ordinary course for employees whose base salary, individually, is less than \$100,000, or make or grant any increase in any employee benefit plan or arrangement, or amend or terminate any existing employment agreement, employee benefit plan or arrangement or adopt any new employee benefit plan or arrangement or enter into, amend or terminate any collective bargaining agreement or other employment agreement;

(l) implement any employee layoffs that would require notice to employees pursuant to the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state or local law;

(m) compromise or settle any material claim having an amount in controversy in excess of \$100,000;

(n) undertake or fail to undertake any action that, with the delivery of notice, the passage of time or both, would result in a material breach or default under any Leased Real Property lease;

(o) terminate early or materially modify or amend any Material Contract, or enter into any agreement that, if existing prior to the date of this Agreement, would be a Material Contract;

(p) make any change in any accounting policies or principles (except as required by a change in GAAP or applicable law), or make or change any Tax election, change any annual accounting period, adopt or change any accounting method (except as required by a change in GAAP or applicable law), file any amended Tax Return, enter into any "closing agreement" as described in Section 7121 of the Code with respect to Taxes, settle any Tax claim or assessment, surrendered any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, except any such extension or waiver made in the ordinary course and with respect to a Tax other than income Tax; or

(q) hire any officers or employees having a base salary in excess of \$75,000 or terminate the services of any existing officers or existing employees having a base salary in excess of \$75,000, other than for cause.

Without limiting the scope of covenants of the Company set forth in this Section 5.2, the parties acknowledge and agree that (y) nothing contained in this Section 5.2 is intended to give the Buyer, directly or indirectly, the right to direct the control or operations of the Company or any of its Subsidiaries prior to the Closing and (z) prior to the Closing, subject to this Section 5.2, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over the operations of it and its Subsidiaries.

**Section 5.3 Access and Audits.** From the date hereof until the Closing, the Company shall afford Buyer and its authorized agents the right to inspect and audit the books and records of the Company and to consult with those directors, officers, key employees that have knowledge of the transaction contemplated by this Agreement, attorneys, auditors and accountants of the Company, as the Company shall approve upon request by Buyer, such approval not to be unreasonably withheld, concerning customary due diligence matters. Such inspections and audits may include review and examination of the Company's books and records of account, Tax records, records of corporate proceedings, contracts, trademarks, governmental consents, and other business activities and matters relating to the Transaction contemplated by this Agreement. Buyer shall, and shall cause its Representatives to, abide by the terms of the Confidentiality Agreement with respect to any access or information provided pursuant to this Section 5.3. In addition to the foregoing, Buyer has commenced, at its own expense, to conduct audits of the fiscal year 2015 and 2016 financial statements of the Company in anticipation of Securities and Exchange Commission filing requirements relative to Buyer having acquired the Company in the manner described in this Agreement. In this regard, the Company agrees to provide reasonable assistance and cooperation until the Closing to the auditors selected by the Buyer in providing to them as promptly as reasonably practicable upon their request, the following (which is just a sample and not exclusive):

(a) Bank statements and bank reconciliations;

- (b) Copies of invoices to customers selected by the auditors (anticipated to be approximately 75-100 per year), copies of evidence of payment received and supporting documentation;
- (c) Copies of invoices from vendors selected by the auditors (anticipated to be approximately 75-100 per year), copies of evidence of payments made and supporting documentation;
- (d) Copies of all promissory notes payable to the Company, copies of evidence of funds received, including bank statements, by the Company;
- (e) Copies of all lease agreements and subsequent renewals;
- (f) Copies of invoices relating to the purchase of property, plant and equipment in excess of \$10,000 per item or such other amount as may be mutually agreed upon and copies of payments made and supporting documentation in connection with such purchases of PP&E;
- (g) Copies of all employment agreements, lists of employee original hire dates, proof of any salary increases, payroll reconciliations, proof of annual and quarterly payroll tax payments, etc.;
- (h) Information relating to Federal, state, local, FCC and other telecom taxes, including evidence of payments submitted monthly, quarterly or annually, and regarding the calculation for any accrued and or deferred taxes; and
- (i) Requests for onsite visit/ audits, including making Company staff available to discuss the procedures and controls in place and provide any information requested relating thereto.

In the event the Transaction is not consummated for any reason, Buyer shall (and shall cause its representatives (including auditors) to) promptly, upon request of the Company, return all such documents as it may have obtained in its due diligence review, and any and all copies of such documents.

Section 5.4 Company Notification of Certain Matters. Except as prohibited by law, the Company shall promptly notify Buyer in writing of all events, circumstances, facts and occurrences arising subsequent to the date of this Agreement which could result in any breach of a representation or warranty or covenant of the Company in this Agreement or which could have the effect of making any representation or warranty of the Company in this Agreement untrue or incorrect in any material respect. Upon delivery of such notice, the Company shall supplement or amend the Disclosure Schedules hereto with respect to any such matter hereafter arising or of which it becomes aware after the date hereof (each a "Schedule Supplement"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 6.2 have been satisfied; provided, however, that if Buyer has the right to, but does not elect to, terminate this Agreement within ten (10) Business Days of its receipt of such Schedule Supplement, then Buyer shall be deemed to have irrevocably waived

any right to terminate this Agreement with respect to such matter and, further, shall have irrevocably waived its right to indemnification under Section 7.2 with respect to such matter.

**Section 5.5 Buyer Notification of Certain Matters.** Except as prohibited by law, the Buyer shall promptly notify Company and the Shareholders Representative in writing of all events, circumstances, facts and occurrences arising subsequent to the date of this Agreement which could result in any breach of a representation or warranty or covenant of the Buyer in this Agreement or which could have the effect of making any representation or warranty of the Buyer in this Agreement untrue or incorrect in any material respect. Upon delivery of such notice, the Buyer shall supplement or amend the Disclosure Schedules hereto with respect to any such matter hereafter arising or of which it becomes aware after the date hereof (each a "Schedule Supplement"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 6.3 have been satisfied; provided, however, that if Company has the right to, but does not elect to, terminate this Agreement within ten (10) Business Days of its receipt of such Schedule Supplement, then Company shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter and, further, shall have irrevocably waived its right to indemnification under Section 7.3 with respect to such matter.

**Section 5.6 Confidentiality.** Buyer acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Buyer pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this Section 5.6 shall nonetheless continue in full force and effect.

**Section 5.7 Indemnification of Former Officers and Directors.**

(a) For six years after the Closing, the Company, and its successors and assigns, shall abide by and agrees to be bound by the indemnification provisions set forth in the Articles of Incorporation, and the bylaws of the Company as in effect immediately prior to the Closing (a copy of which is attached hereto marked Exhibit H), with respect to the indemnification of officers and directors of the Company prior to the Closing (each, a "D&O Indemnified Person") for any act or omission existing or occurring at or prior to the Closing including any act or omission relating to this Agreement or the Transaction or any other Transaction Document.

(b) If the Company or any of its successors or assigns shall (i) consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Company (or acquirer of such assets), as the case may be, shall assume all of the obligations of the surviving entity set forth in this Section 5.7.

(c) At the Closing, the Company shall obtain, maintain and fully pay for irrevocable “discovery/runoff” insurance under the Company’s current D&O policy or such other “tail” insurance policy reasonably acceptable to the Buyer naming the D&O Indemnified Persons as direct beneficiaries, with a claims period of at least six (6) years from the Closing Date, from an insurance carrier with the same or better credit rating as the Company’s current insurance carrier with respect to directors’ and officers’ liability insurance and in an amount and scope at least as favorable as the Company’s existing policies, with respect to matters existing or occurring at or prior to the Closing Date; provided, however, that the costs to obtain such “discovery/runoff” or tail” insurance policy shall be included in “Company Closing Expenses” hereunder and thereby indirectly borne by the Shareholders. The Company shall not cancel or change such insurance policies in any respect.

(d) The provisions of this Section 5.7 shall survive the consummation of the Transaction and are expressly intended to benefit each of the D&O Indemnified Persons.

#### Section 5.8 Governmental Approvals and Other Third-party Consents.

(a) Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Bodies that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

(b) All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals made by or on behalf of either party before any Governmental Body or the staff or regulators of any Governmental Body, in connection with the Transaction (but, for the avoidance of doubt, not including any interactions between the Company and the Governmental Bodies in the ordinary course of business, any disclosure which is not permitted by law or any disclosure containing confidential information) shall be disclosed to the other party hereunder in advance of any filing, submission or attendance, it being the intent that the parties will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals. Each party shall give notice to the other party with respect to any meeting, discussion, appearance or contact with any Governmental Body or the staff or regulators of any Governmental Body, with such notice being sufficient to provide the other party with the opportunity to attend and participate in such meeting, discussion, appearance or contact.

(c) The parties shall use commercially reasonable efforts to give all notices to, and obtain all consents or waivers from, all third parties that are described in Schedule 3.4(b) of the Disclosure Schedules; provided, however, that the Company shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested.



Section 5.9 Closing Conditions. From the date hereof until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the Closing Conditions.

Section 5.10 Tax Matters.

(a) Tax Returns. The preparation and filing of all Tax Returns by or on behalf of Company shall be governed by the following provisions of this Section 5.10(a):

(i) The Company shall prepare, or cause to be prepared, and file, or caused to be filed, all Tax Returns of Company that are filed on or before the Closing Date. Any such Tax Returns shall be prepared in a manner consistent in all material respects with prior Tax Returns of Company except as otherwise required by law.

(ii) Except as provided in Section 5.9(a)(i), Buyer shall prepare, or cause to be prepared, and timely file, or caused to be filed, all Tax Returns of Company for all Pre-Closing Tax Periods and Straddle Periods that are filed or required to be filed after the Closing Date. Any such Tax Returns shall be prepared in a manner consistent in all material respects with prior Tax Returns of Company except as otherwise required by law. Reasonably in advance of filing any such Tax Return, but no later than 30 days prior to the due date (including extensions thereof) ("Due Date") for the filing of any such Tax Returns that constitute Income Tax Returns, Buyer shall submit, or cause to be submitted, to Shareholders Representative for review, comment, and approval (such approval not to be unreasonably withheld, conditioned, or delayed) a draft of such Tax Return. Buyer shall provide Shareholders Representative with copies of all backup documentation and work papers supporting the preparation of such draft Tax Returns as Shareholders Representative may reasonably request. Shareholders Representative shall have 15 days following the date of delivery of the draft Tax Return to notify Buyer in writing of either (A) any objection to such draft Tax Return or (B) Shareholders Representative's approval of the draft Tax Return. If Shareholders Representative fails to provide written notice to Buyer within such fifteen-day time period, Shareholders Representative shall be conclusively treated as having approved of such Tax Return for all purposes hereunder. In the event Shareholders Representative timely notifies Buyer of any objection with respect to a draft Tax Return ("Tax Objection Notice"), Buyer shall consider in good faith Shareholders Representative's comments to such draft Tax Return. Buyer and Shareholders Representative shall attempt in good faith to resolve all disputed items and amounts. If Buyer and Shareholders Representative are unable to resolve any disagreement within 30 days of Buyer's receipt of the Tax Objection Notice, the unresolved disputes shall be referred to the Dispute Resolution Firm for resolution in accordance with Section 5.9(a)(iii); provided, however, that in the event that any disputed items cannot be resolved by the Due Date for filing the applicable Tax Return, the applicable Tax Return shall be filed by such Due Date reflecting Buyer's position with respect to such disputed items and shall, if necessary, be amended promptly after resolution of the dispute to reflect such resolution. Buyer shall deliver to Shareholders Representative a complete and accurate copy of each such Tax Return prepared and filed by Buyer pursuant to this Section 5.9(a)(i) within 15 days of filing.

(iii) Buyer and Shareholders Representative shall use commercially reasonable efforts to cause the Dispute Resolution Firm to resolve all remaining disagreements

identified in any Tax Objection Notice as soon as practicable, but in any event shall direct the Dispute Resolution Firm to render a written determination within 60 days after its retention. The Dispute Resolution Firm shall consider only those items and amounts (and any substantiating documentation from Buyer and Shareholders Representative in connection therewith) that are identified as the items in dispute. In resolving any disputed item, the parties will direct the Dispute Resolution Firm not to assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Dispute Resolution Firm's determination of the disputed items shall be made based solely on substantiating documentation submitted by Buyer and Shareholders Representative (*i.e.*, not on independent review), the applicable definitions set forth herein, and an analysis that is consistent with and in accordance with the methodologies and principles contemplated herein. The determination of the Dispute Resolution Firm shall be conclusive and binding upon Buyer and Shareholders, and shall not be subject to appeal or further review absent manifest error. The parties shall promptly comply with all reasonable requests by the Dispute Resolution Firm for information, books, records and similar items. The costs and expenses of the Dispute Resolution Firm shall be borne by Buyer, on the one hand, and the Shareholders Representative (on behalf of the Shareholders), on the other hand, based upon the percentage that the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. For example, if Buyer claims a deduction is \$1,000 less than the amount determined by Shareholders Representative, and Shareholders Representative contests only \$500 of the amount claimed by Buyer, and if the Dispute Resolution Firm ultimately resolves the dispute by awarding Buyer \$300 of the \$500 contested, then the costs and expenses of the Dispute Resolution Firm attributable to such item will be allocated 60% (*i.e.*,  $300 \div 500$ ) to Shareholders Representative (on behalf of the Shareholders) and 40% (*i.e.*,  $200 \div 500$ ) to Buyer.

(iv) Buyer shall timely pay or cause to be paid to the appropriate Governmental Body an amount equal to the total liability for Taxes shown to be due and payable on any Tax Return to be filed pursuant to this Section 5.9(a). In connection with the filing of any such Tax Return by Buyer, Shareholders Representative (on behalf of the Shareholders) shall pay to Buyer or cause to be paid to Buyer an amount equal to the portion of the total liability for Taxes shown to be due and payable on the Tax Return that constitutes Shareholder Taxes within 15 days after receiving notice from Buyer that payment of such Taxes has either been made or will be made by Buyer or Company (but in no event any sooner than two Business Days prior to the Due Date for such Tax Return, except as Shareholders Representative (on behalf of the Shareholders) otherwise decides in his sole discretion).

(v) For the avoidance of doubt, any Company Closing Expenses or other compensation expense deduction resulting from, or attributable to, the sale, exchange or other disposition of options or shares of stock of Company pursuant to this Agreement shall be deemed to occur on the Closing Date such that such compensation expense deduction shall be utilized in the computation of Taxes attributable to the Pre-Closing Tax Period (or otherwise shall inure to the benefit of the Shareholders).

(vi) Prior to the Merger, unless otherwise required by applicable law, Company will not file or cause to be filed any amended Tax Returns for any Pre-Closing Tax Period without the prior written consent of Buyer, which consent will not be unreasonably withheld, conditioned, or delayed. After the Merger, unless otherwise required by applicable

law, Buyer will not file or cause or allow to be filed any amended Tax Returns for Company for any Pre-Closing Tax Period or Straddle Period without the prior written consent of Shareholders Representative, which consent will not be unreasonably withheld, conditioned, or delayed.

(b) Refunds and Credits. Any refund of Taxes received by Buyer or Company (or any of their respective Affiliates), and any amounts credited against Taxes to which Buyer or Company (or any of their respective Affiliates) become entitled, after the Closing Date (whether pursuant to Section 5.9(a)(vi) or otherwise) (i) that relate to any Shareholder Taxes for any Pre-Closing Tax Period or the portion of any Straddle Period ending on the Closing Date shall be solely for the accounts of the Shareholders and shall be promptly (but not more than 15 days after receipt) paid by Buyer to the Shareholders Representative (on behalf of the Shareholders) and (ii) that relates to any Taxes for any taxable period or the portion of any Straddle Period commencing after the Closing Date shall be solely for the account of Buyer (and neither the Shareholders nor any of their Affiliates at such time shall have any interest therein), except in each case to the extent that such refund or credit was taken into account directly or indirectly for purposes of determining the final Purchase Price (as determined under Section 2.5). For the avoidance of doubt, the provisions of this Section 5.9(b) shall not apply to any amount that arises as the result of a carryback of a loss or other Tax benefit from a Tax period beginning after the Closing Date.

(c) Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by law.

(d) No Section 338 Election. None of Buyer, Acquisition Company, the Company or any of their Affiliates shall make any election under Section 338 of the Code (or any similar provision under state, local or foreign law) with respect to the Transaction.

Section 5.11 No Solicitation. The Company shall, and shall cause the Shareholders to, immediately terminate any negotiations and/or marketing efforts, if any, with Persons other than the Buyer in regard to any Alternative Transaction. The Company shall not, and shall cause the Shareholders not to, solicit or initiate the submissions of indications of interest, proposals or offers from, or discuss or negotiate with any Person relating to any Alternative Transaction. The Company shall not, and shall cause the Shareholders not to, furnish to any other Person any information with respect to the Company that could be used for the purposes described in this Section 5.11. The Company shall promptly notify Buyer of any acquisition proposal received by the Company and shall provide Buyer a copy (to the extent written) or description (to the extent made) of such acquisition proposal; provided, however, the identity of any other parties interested in pursuing an acquisition of the Company may be redacted.

Section 5.12 Requisite Stockholder Approval. Following the execution and delivery of this Agreement by the parties hereto, the Company shall cause the Requisite Shareholders to execute and deliver to the Company a written consent or minutes of a shareholders meeting approving the Merger and the Transaction, and adopting this Agreement.

Section 5.13 Further Assurances. From time to time, as and when requested by any party hereto and at such requesting party's expense, any other party shall execute and deliver, or

cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary or desirable to evidence and effectuate the Transaction.

## **ARTICLE VI. CONDITIONS TO CLOSING**

Section 6.1 Conditions to Obligations of All Parties. The obligations of each party to consummate the Transaction shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) The Requisite Shareholders of the Company shall have duly approved this Agreement, the Merger and the Transaction in accordance with the FBCA.

(b) No action, demand, arbitration, audit, inquiry, hearing, notice of violation, investigation, litigation, citation, summons, subpoena or suit of any nature (whether civil, criminal, administrative, regulatory, investigative, or informal), whether at law or in equity, of any Governmental Body seeking to restrain, enjoin or otherwise prohibit the consummation of the Transaction shall be pending or threatened.

(c) No Governmental Body shall have enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation, determination or award which is in effect and has the effect of making the Transaction illegal, otherwise restraining or prohibiting consummation of the Transaction or causing the Transaction to be rescinded following completion thereof.

(d) Other than filing the Certificate of Merger with the Secretary of State of the State of Florida, all governmental consents and approvals will have been obtained or provided, other than such governmental consents and approvals (a) as Buyer and Company agree Company will not seek to obtain, or (b) the failure of which to obtain would not result, or reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect.

Section 6.2 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the Transaction shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of the Company contained in ARTICLE III (other than the Company Fundamental Representations) shall be true and correct in all respects (without giving effect to any "materiality" and "Material Adverse Effect" qualifiers therein) as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a Material Adverse Effect. The Company Fundamental Representations shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those Company Fundamental Representations that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date).

(b) The Company shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Company, that each of the conditions set forth in Section 6.2(a) and (b) has been satisfied.

(d) Unless otherwise waived by the Buyer, the Company shall have received all consents, authorizations, orders and approvals referred to in Schedule 3.4(b), in form and substance reasonably satisfactory to Buyer, and no such consent, authorization, order and approval shall have been revoked.

(e) Buyer shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying that attached thereto are true and complete copies of all resolutions or minutes of a special meeting, or action by written consent, adopted by the board of directors and the Shareholders of the Company authorizing the execution, delivery and performance of this Agreement and the consummation of the Transactions, and that all such resolutions or minutes are in full force and effect and are all the resolutions adopted in connection with the Transaction.

(f) The Company shall have delivered copies of the (i) audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2014 and 2015, in each case including ITV, (ii) unaudited carve-out financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2016, in each case excluding ITV, and (iii) monthly financial statements of the Company, in form reasonably satisfactory to Buyer, for each month subsequent to December 2016 through and including the most recent calendar month ending no later than thirty (30) days prior to the Closing, or such other date agreed upon between the Company and Buyer.

(g) The Company shall have delivered copies of the federal income Tax Return of the Company, including ITV, for the fiscal year ended December 31, 2015.

(h) The Company shall have not less than \$250,000 Cash on Hand, which shall be retained by the Company.

(i) The Company shall have delivered each of the other items required to be delivered by it at the Closing pursuant to Section 2.2.

(j) There shall not have occurred a Material Adverse Effect.

(k) No more than 10% of the total outstanding Shares of the Company shall be Dissenting Shares; none of which shall be held by any of Josh Reel, Steven Jones, Randall Henderson, Tad Yeatter and Stuart Conrad or any of their Affiliates, or any other Shareholder that collectively with their respective Affiliates holds ten percent (10%) or more of the outstanding Shares of the Company immediately prior to execution of this Agreement or the Closing.

Section 6.3 Conditions to Obligations of the Company. The obligations of the Company to consummate the Transaction shall be subject to the fulfillment or the Company's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Buyer contained in ARTICLE IV (other than the Buyer Fundamental Representations) shall be true and correct in all respects (without giving effect to any "materiality" qualifiers therein) as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a material adverse effect on Buyer's ability to consummate the Transactions contemplated hereby. The Buyer Fundamental Representations shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those Buyer Fundamental Representations that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date).

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) The Company shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in Section 6.3(a) and (b) have been satisfied.

(d) Buyer shall have delivered each of the other items required to be delivered by it at the Closing pursuant to Section 2.3.

## **ARTICLE VII. INDEMNIFICATION**

Section 7.1 Survival. The representations and warranties contained in ARTICLE III, and ARTICLE IV shall survive the Closing and shall terminate on the following dates:

(a) with respect to Section 3.1 (Organization and Corporate Power), Section 3.3 (Authorization; Valid and Binding Agreement), Section 3.5 (Capital Stock), Section 3.9 (Title to Properties), Section 3.11 (Tax Matters) and Section 3.23 (Brokerage) (collectively the "Company Fundamental Representations"), Section 4.1 (Organization and Power), Section 4.2 (Authorization; Valid and Binding Agreement) and Section 4.5 (Brokerage) (collectively, the "Buyer Fundamental Representations"), such representations and warranties shall survive until the sixtieth (60<sup>th</sup>) day following the expiration of their respective statute of limitations (the "Fundamental Representations Expiration Date"); and

(b) with respect to all other representations and warranties, such representations and warranties shall survive for twenty-four (24) months after the Closing Date (the "General Representations Expiration Date").

All covenants and agreements of the Company, the Shareholders and Buyer contained in this Agreement that are to be performed in whole or in part after the Closing Date shall survive in accordance with their respective terms.

Section 7.2 Indemnification of Buyer. From and after the Closing (but subject to the provisions of this ARTICLE VII), Buyer and its Affiliates, officers, directors, employees, agents, successors and assigns (the "Buyer Indemnitees") shall be indemnified by the Shareholders, severally and not jointly (and limited to the amount of their respective Distributable Net Purchase Price amount and, to the extent applicable, to a maximum of the indemnity Cap and any amounts of such Loss funded by the Indemnity Escrow or the Shareholders Representative), in respect of any and all losses, liabilities, claims, damages, penalties, fines, judgments, awards, settlements, costs, fees and expenses (including reasonable costs of investigation and defense and reasonable accountants', experts' and attorneys' fees and expenses) (individually, a "Loss" and collectively, "Losses"), whether or not involving a third party claim, suffered or incurred by the Buyer Indemnitees to the extent such Loss results from or arises out of:

- (a) a breach of any representation or warranty of the Company contained in ARTICLE III of this Agreement (other than the Company Fundamental Representations);
- (b) a breach of any Company Fundamental Representation;
- (c) any Company Closing Expenses or Indebtedness of the Company outstanding as of the Closing to the extent not deducted in the determination of the Purchase Price;
- (d) a breach of any covenant or agreement by the Company contained in this Agreement requiring performance by the Company at or before the Closing;
- (e) Shareholder Taxes to the extent not deducted in the determination of the Purchase Price; and
- (f) the litigation described in Schedule 3.15 but only to the extent a claim for indemnification for Losses resulting or arising from such litigation is made prior to the General Representations Expiration Date.

Section 7.3 Indemnification of the Shareholders. From and after the Closing (but subject to the provisions of this ARTICLE VII), Buyer shall indemnify the Shareholders and their respective Affiliates, officers, directors, employees and agents (the "Shareholder Indemnitees") against and hold them harmless from any Losses suffered or incurred by the Shareholder Indemnitees to the extent arising from or relating to:

- (a) a breach of any representation or warranty of Buyer contained in this Agreement (other than Buyer Fundamental Representations);
- (b) a breach of any Buyer Fundamental Representation;
- (c) a breach of any covenant or agreement by Buyer contained in this Agreement requiring performance by Buyer or the Company after the Closing; and

(d) for actions taken by Buyer, Acquisition Company or the Company after the Closing.

#### Section 7.4 Certain Limitations.

(a) Notwithstanding anything to the contrary set forth in this Agreement, even if an Indemnitee would otherwise be entitled to indemnification for a Loss pursuant to Section 7.2(a) or 7.2(f), such Indemnitee shall not be entitled to indemnification for a Loss pursuant to such Section except to the extent the aggregate amount of all Losses eligible for indemnification pursuant to Section 7.2(a) and Section 7.2(f) exceeds on a cumulative basis an amount equal to \$15,000 (the “Deductible”), but then only to the extent such Losses exceed the Deductible. Notwithstanding the foregoing, the parties agree that there shall be no deductible for any expenses incurred related to the PAL litigation as is more fully described in Schedule 3.15. No Buyer Indemnitee shall be entitled to any indemnification pursuant to Section 7.2 in excess of, in the aggregate, at any time an amount equal to \$400,000 (the “Cap”), and no Buyer Indemnitee shall be entitled to any indemnification pursuant to this Agreement from an individual Shareholder in excess of the actual consideration received by such Shareholder pursuant to this Agreement. The Deductible and Cap limitation provided for in this Section 7.4(a) shall not be applicable to any claims for indemnification of a Buyer Indemnitee (i) provided for in Section 7.2(b), (c) and (e), (ii) provided for in Section 7.2(d) arising solely from a breach of Sections 5.2(g), (i) or (j), and (iii) arising from any claims for fraud or willful misrepresentation. All payments under this ARTICLE VII shall be treated by the parties as an adjustment to the proceeds received by the applicable Shareholder pursuant to Section 2.4 and Section 2.5.

(b) For purposes of this ARTICLE VII, any Loss related thereto shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(c) Notwithstanding anything to the contrary in this Agreement, no Shareholder shall be liable for any Loss arising out of breach by any other Shareholder of any representations and warranties or failure by such Shareholder to perform any covenant specific to such Shareholder or the fraud of such other Shareholder.

(d) The Buyer Indemnitees shall not be entitled to recover any Losses relating to any matter arising under any provision of this Agreement to the extent that a Buyer Indemnitee has already recovered Losses with respect to such matter under other provisions of this Agreement.

**Section 7.5 Expiration of Claims.** The ability of any Person to receive indemnification under Section 7.2 or Section 7.3, shall terminate on the applicable survival termination date (as set forth in Section 7.1), unless such Person shall have incurred a Loss prior to such survival termination date and made a claim for indemnification pursuant to Section 7.2 or Section 7.3, as applicable, prior to such survival termination date. If a Person has made a claim for indemnification pursuant to Section 7.2 or Section 7.3 prior to such survival termination date, then such claim for such Loss incurred (and only such claim for such Loss incurred), if then unresolved, shall not be extinguished by the passage of the deadlines set forth in Section 7.1.



Section 7.6 Procedures Relating to Indemnification for Third Party Claims.

(a) In order for a Person to be entitled to seek any indemnification provided for under this Agreement (such party, the "Claiming Party"), in respect of a claim or demand made against the Claiming Party by any Person who is not a party to this Agreement or an Affiliate thereof (a "Third-Party Claim"), such Claiming Party must notify the Person that is or may be required to provide indemnification hereunder (the "Defending Party") in writing, and in reasonable detail, of the Third-Party Claim as promptly as reasonably possible but in any event within 15 days after receipt by such Claiming Party of notice of the Third-Party Claim (or within such shorter time as may be necessary to give the Defending Party a reasonable opportunity to respond to and defend such Third-Party Claim), and include with such notice complete copies of all correspondence and documentation received from and/or sent to the Third-Party as of the date on which such notice is delivered to the Defending Party; provided that failure to give such notification on a timely basis shall not affect the indemnification provided hereunder except to the extent the Defending Party shall have been materially prejudiced as a result of such failure. Thereafter, the Claiming Party shall deliver to the Defending Party, within five (5) Business Days after the Claiming Party's receipt or delivery thereof, copies of all notices, correspondence and documents (including court papers) received or delivered by the Claiming Party relating to the Third-Party Claim.

(b) If a Third-Party Claim is made against a Claiming Party, the Defending Party shall be entitled to participate in the defense thereof and, if it so chooses, to assume the defense thereof (subject to a reservation of rights) with counsel selected by the Defending Party and reasonably satisfactory to the Claiming Party. Should a Defending Party so elect to assume the defense of a Third-Party Claim, the Defending Party shall not be liable to the Claiming Party for legal expenses subsequently incurred by the Claiming Party in connection with the defense thereof. If the Defending Party assumes such defense, the Claiming Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Defending Party, it being understood, however, that the Defending Party shall control such defense. The Defending Party shall be liable for the reasonable fees and expenses of counsel employed by the Claiming Party for any period during which the Defending Party has not assumed the defense thereof and shall pay all of the reasonable fees and expenses of a separate counsel for the Claiming Party if the Defending Party has reasonably determined, based upon advice of counsel, that there exists a material conflict of interest between the Claiming Party and the Defending Party. If the Defending Party chooses to defend any Third-Party Claim, then all the parties hereto shall cooperate in the defense or prosecution of such Third-Party Claim, including by retaining and (upon the Defending Party's request) providing to the Defending Party all records and information which are reasonably relevant to such Third-Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the Defending Party shall have assumed the defense of a Third-Party Claim, the Claiming Party shall not admit any liability with respect to, or settle, compromise or discharge, any Third-Party Claim without the prior written consent of the Defending Party.

(c) Notwithstanding the foregoing, the Defending Party shall not be entitled to assume control of such defense (unless otherwise agreed to in writing by the Claiming Party) and shall pay the reasonable fees and expenses of counsel retained by the Claiming Party if (1) the

claim for indemnification relates to or arises in connection with any criminal claim; (2) the claim seeks an injunction or equitable relief against the Claiming Party; (3) the Claiming Party has been advised by counsel that a conflict of interest between the Claiming Party and the Defending Party exists; (4) upon petition by the Claiming Party, the appropriate court rules that the Defending Party failed or is failing to prosecute or defend such claim in good faith; or (5) the Claiming Party reasonably believes that the Losses relating to the Third-Party Claim would exceed the maximum amount that the Claiming Party could then be entitled to recover for such claim under the applicable provisions of ARTICLE VII; provided if the reason that the Claiming Party assumes control of the proceeding is (3) or (5), then the counsel chosen by the Claiming Party to defend the claim must be reasonably acceptable to the Defending Party.

(d) If the Defending Party shall control the defense of any such claim, the Defending Party shall obtain the prior written consent of the Claiming Party before entering into any settlement of such claim if, pursuant to or as a result of such settlement, injunctive or other equitable relief will be imposed against the Claiming Party or if such settlement does not expressly and unconditionally release the Claiming Party from all liabilities (monetary or otherwise) with respect to such claim, with prejudice.

(c) If the Claiming Party shall control the defense due to any of the occurrences described above with respect to any Third-Party Claim, the Claiming Party may not settle or compromise any Third-Party Claim or consent to the entry of any judgment in favor of any third party with respect to which indemnification is being sought hereunder without the prior written consent of the Shareholders Representative, acting on behalf of the Shareholders, such consent not to be unreasonably withheld, conditioned or delayed.

(f) For the avoidance of doubt, the Buyer agrees that, if the Defending Party is the Shareholders (acting through the Shareholders Representative) and the Shareholders have assumed the defense of any Third-Party Claim, including the PAL litigation as more fully described on Schedule 3.15, all or some of the out-of-pocket costs and expenses payable for investigating, analyzing and defending any such Third Party Claim, including any payments made to Josh Reel after his employment with the Company has terminated, may, at the option of the Shareholders Representative, be funded directly by the amounts in the Indemnity Escrow Account as such costs and expenses are incurred.

**Section 7.7 Procedure for Indemnification for Inter-Party Claims.** In the event that a Claiming Party determines that it has a claim for Losses against a Defending Party hereunder (other than as a result of a Third-Party Claim), the Claiming Party shall promptly give written notice thereof to the Defending Party, specifying the amount (or estimate) of such claim, the nature and basis of the alleged breach giving rise to such claim and all relevant facts and circumstances relating thereto; provided that the failure of the Claiming Party to so notify the Defending Party shall not relieve the Defending Party of its obligations hereunder, except to the extent such failure shall have materially prejudiced the Defending Party. The Claiming Party shall provide the Defending Party with reasonable access to the relevant books and records of the Claiming Party (and, if Buyer is the Defending Party, the Company's books and records) during normal business hours for the purpose of allowing the Defending Party a reasonable opportunity to verify any such claim for Losses. The Defending Party shall notify the Claiming Party within forty five (45) days following its receipt of such notice and granting of such access if the

Defending Party disputes its liability to the Claiming Party under this ARTICLE VII. If the Defending Party does not so notify the Claiming Party, the claim specified by the Claiming Party in such notice shall be conclusively deemed to be a liability of the Defending Party under this ARTICLE VII, and the Defending Party shall pay the amount of such liability to the Claiming Party on demand or, in the case of any notice in which the amount of the claim (or any portion of the claim) is estimated, on such later date when the amount of such claim (or such portion of such claim) becomes finally determined. If the Defending Party has timely disputed its liability with respect to such claim as provided above, the Defending Party and the Claiming Party shall negotiate in good faith to resolve such dispute.

Section 7.8 Mitigation. Each Person entitled to indemnification hereunder shall take commercially reasonable steps to mitigate all Losses after becoming aware of any event which could reasonably be expected to give rise to any Losses that are indemnifiable or recoverable hereunder or in connection herewith. In the event that a Defending Party makes any payment to a Claiming Party for indemnification for which the Claiming Party could have collected on a claim against another Person (including under any contract and any insurance claims), the Defending Party shall be entitled to pursue claims and conduct litigation on behalf of the Claiming Party and any of its successors to pursue and collect on any indemnification or other remedy available to the Claiming Party thereunder with respect to such claim and generally to be subrogated to the rights of the Claiming Party. Except pursuant to a settlement agreed to by the Defending Party, the Claiming Party shall not waive or release any contractual right to recover from another Person any loss subject to indemnification hereby without the prior written consent of the Defending Party. The Claiming Party shall, and shall cause its Affiliates (including the Company) to, cooperate with the Defending Party, at the Defending Party's expense, with respect to any such effort to pursue and collect with respect thereto.

Section 7.9 Determination of Loss Amount.

(a) Losses for breaches of representations and warranties contained in this Agreement shall be net of any insurance proceeds or third-party payments realized by and paid to the Claiming Party. The Claiming Party shall seek full recovery under all insurance policies and third-party payments covering any Loss to the same extent as it would if such Loss were not subject to indemnification hereunder. In the event that an insurance or other recovery is made by any Claiming Party with respect to any Loss for which any such Claiming Party has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery shall be made promptly to the Defending Party.

(b) In no event shall any Person be entitled to recover or make a claim for any amounts in respect of special, consequential or punitive damages, except in the case of fraud, criminal activity or willful misconduct in connection with this Agreement or to the extent actually awarded to a Governmental Body or in a Third-Party Claim. In addition, in no event shall a Defending Party be liable hereunder in respect of any claim if such claim would not have arisen but for a change in legislation or accounting policies or a change in interpretation of applicable law as determined by a court or pursuant to an administration rule-making decision, in each case occurring after the Closing.

(c) No Buyer Indemnitee shall be entitled to any indemnification under this ARTICLE VII to the extent (i) such matter was taken into account in determining the Purchase Price pursuant to Section 2.5, or (ii) such matter was reserved for in the Financial Statements.

Section 7.10 Payment of Losses.

(a) No later than five (5) Business Days following the final determination of the amount of any Losses payable to any Buyer Indemnitee in accordance with Section 7.2 or this ARTICLE VII, the Company shall direct the Escrow Agent to release to Buyer, from the Indemnity Escrow Account, the lesser of (i) the amount of such Losses and (ii) the then-remaining balance of the Indemnity Escrow Account, including any earnings thereon, it being understood that, except as set forth in clause (b) below, the Escrow Account shall be Buyer's sole and exclusive source of recovery with respect to claims arising under, or otherwise in connection with, Section 7.2 or this ARTICLE VII of this Agreement and that, following release in full of all amounts held in the Escrow Account, the Shareholders shall have no further liability thereunder or in connection therewith.

(b) Subject to the limitations set forth in Section 7.4, if and to the extent the amount of any Losses remaining to be paid to a Buyer Indemnitee at any time under this ARTICLE VII is greater than the then-remaining balance of the Indemnity Escrow Account, including any earnings thereon, then each Shareholder will be responsible for their Pro Rata Share of such shortfall, up to the Cap, if applicable (the "Loss Shortfall"); provided that the total amount of the Loss Shortfall shall never exceed the total amount of Losses incurred by the Buyer Indemnitees, up to the Cap, if applicable, less any amounts previously or contemporaneously funded by payments from the Indemnity Escrow Account or the Shareholders. No later than ten (10) Business Days following receipt of written notice from the Buyer with the final determination of their Pro Rata Share of the amount of such Loss Shortfall, each Shareholder shall pay to Buyer in cash, by wire transfer of immediately available funds to an account designated in writing by Buyer, its Pro Rata Share of the amount of such Loss Shortfall; provided that, for the avoidance of doubt, no payment hereunder by an individual Shareholder shall be in excess of the portion of the Distributable Net Purchase Price received by such Shareholder pursuant to this Agreement.

(c) No later than ten (10) Business Days following the final determination of the amount of any Losses payable to any Shareholder Indemnitee in accordance with this ARTICLE VII, Buyer shall pay to each Shareholder in cash, by wire transfer of immediately available funds to the accounts designated in writing by the Shareholder, its Pro Rata Share of the amount of such excess.

Section 7.11 Escrow Release. On the Business Day immediately following the General Representations Expiration Date (such Business Day, the "Escrow Release Date"), Buyer and Shareholders Representative shall deliver joint written instructions to the Escrow Agent to release to the Payment Agent the then-remaining balance of the Indemnity Escrow Account; provided that any amounts payable to the Shareholders shall be reduced by an amount equal to the positive difference (if any) between (i) the then-remaining balance of the Indemnity Escrow Account, including any earnings thereon, minus (ii) the amount of Losses for which Buyer has timely made a claim for indemnification pursuant to Section 7.6 (up to the Cap, to the extent the

Cap is applicable), and which claim has not then been finally determined in accordance with this ARTICLE VII, as applicable. In the event any portion of the Indemnity Escrow Account is not released to the Payment Agent on the Escrow Release Date as a result of the reduction in respect of clause (ii) foregoing, following the final determination of all such outstanding claims and, as applicable, payment in respect thereof pursuant to Section 7.10, Buyer and Shareholders Representative shall promptly and in any event within ten (10) Business Days, deliver joint written instructions to the Escrow Agent to release to the Payment Agent the then-remaining balance of the Indemnity Escrow Account.

**Section 7.12 Tax Benefits.** To the extent that a Claiming Party recognizes Tax Benefits as a result of any Loss, such party shall pay the amount of such Tax Benefits (but not in excess of the indemnification payment or payments actually received from the Defending Party with respect to such Loss) to the Defending Party as such Tax Benefits are actually realized by the Claiming Party. (For purposes of the foregoing, the Claiming Party shall be deemed to realize a tax benefit ("Tax Benefit") with respect to a taxable year if, and to the extent that, the Claiming Party's cumulative liability for Taxes through the end of such taxable year, calculated by excluding any Tax items attributable to the Loss from all taxable years, exceeds the Claiming Party's actual cumulative liability for Taxes through the end of such taxable year, calculated by taking into account any Tax items attributable to the Loss for all taxable years (to the extent permitted by relevant Tax law and not already taken into account for a previous taxable year pursuant to this Section 7.12.) Buyer agrees that, prior to the release of any portion of the Indemnity Escrow Amount, it will negotiate in good faith with the Shareholders Representative to determine a mutually agreeable amount of any Tax benefit, if any, realized by the Company in connection with the payment of any expenses that gave rise to a release of any portion of the Indemnity Escrow Amount, which amount shall be paid to the Payment Agent by the Company within five (5) business days of the date on which any funds are released from the Indemnity Escrow Amount. In the event that the Buyer and the Shareholders Representative are unable to agree upon the amount of any Tax benefit realized by the Company within fifteen (15) days following the determination of the Loss owing to the Claiming Party, then the parties shall submit the issue to the Dispute Resolution Firm for final determination in the manner provided in Section 2.5(c).

**Section 7.13 Exclusive Remedy.** Except as set forth in Section 9.16, the remedies set forth in Section 7.2 and Section 7.3 constitute the sole and exclusive remedies of any Buyer Indemnitee or Shareholder Indemnitee for recovery of Losses or other claims relating to or arising from this Agreement, in connection with the Transaction or otherwise arising out of or relating to the Company's businesses and operations, other than claims arising from fraud, criminal activity or willful misconduct in connection with this Agreement.

## **ARTICLE VIII. TERMINATION**

**Section 8.1 Termination.** This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of the Company and Buyer;

(b) by Buyer by written notice to the Company if Buyer is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company pursuant to this Agreement that would give rise to the failure of any of the Closing Conditions and such breach, inaccuracy or failure cannot be cured by the breaching party within fifteen (15) days of the breaching party's receipt of written notice of such breach from Buyer; or

(c) by the Company by written notice to Buyer if the Company is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the Closing Conditions and such breach, inaccuracy or failure cannot be cured by the breaching party within fifteen (15) days of the breaching party's receipt of written notice of such breach from the Company; or

(d) by Buyer or the Company in the event that:

(i) there shall be any law that makes consummation of the Merger or Transaction illegal or otherwise prohibited; or

(ii) any Governmental Body shall have issued any order, writ, judgment, injunction, decree, stipulation, determination or award restraining or enjoining the Transaction, and such shall have become final and non-appealable; or

(iii) the Closing shall not have occurred by August 15, 2017, which date may be extended pursuant to a mutual written agreement (such date as may be extended, the "Outside Date"); provided, however, that if on the Outside Date, all Closing Conditions have been satisfied other than the Closing Conditions set forth in Section 5.8, either the Company or Buyer may (in its sole discretion) extend the Outside Date for an additional thirty (30) days by delivery of written notice of such extension to the other no fewer than five (5) Business Days before the initial Outside Date; and provided, further, however, the right to terminate this Agreement under this Section 8.1(d)(iii), shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date.

Section 8.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this ARTICLE VIII, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) if the termination was pursuant to Section 8.1(b) or Section 8.1(c), the breaching party shall pay the non-breaching party's reasonable attorneys' fees incurred in connection with the negotiation and execution of this Agreement;

(b) as set forth in this ARTICLE VIII and Section 5.6 and ARTICLE IX hereof;  
and

(c) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof.

## **ARTICLE IX. MISCELLANEOUS**

### Section 9.1 Shareholders Representative.

(a) By virtue of this Agreement and the execution of Transmittal Letters, and without any further actions of the Shareholders, the Shareholders have irrevocably appointed Stuart Conrad as the Shareholders Representative, as true and lawful agent and attorney-in-fact, with full power of substitution, with full power and authority to act for and on behalf of each Shareholder for all purposes of this Agreement and the Escrow Agreement, and with respect to the consummation of the Merger and the Transaction, agrees to be bound by the provisions of this Agreement and the Escrow Agreement and the terms of the Transaction. Shareholders Representative hereby accepts such appointment. Each Shareholder acknowledges and agrees that Shareholders Representative, pursuant to this Agreement, has the exclusive authority to act on his, her or its behalf in connection with this Agreement and the Escrow Agreement and related matters, including to (i) interpret the terms and provisions of this Agreement and the Escrow Agreement, (ii) execute and deliver and receive deliveries of all agreements, certificates, statements, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given in connection with the consummation of the Transaction, including the Escrow Agreement, (iii) receive service of process in connection with any claims under this Agreement or the Escrow Agreement, (iv) agree to, negotiate and enter into settlements and compromises of, assume the defense of claims, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Shareholders Representative for the accomplishment of the foregoing, (v) give and receive notices and communications, (vi) take all actions necessary or appropriate in the judgment of the Shareholders Representative on behalf of the Shareholders in connection with this Agreement and the Escrow Agreement, (vii) make any determinations and settle any matters in connection with the adjustments to the Purchase Price pursuant to Section 2.5, (viii) authorize delivery to any Buyer Indemnitee of the Escrow Funds, or any portion of thereof in satisfaction of claims brought by any Buyer Indemnitee for Losses or pursuant to Section 2.5(c), (ix) distribute the Escrow Funds, and any earning and proceeds thereon, (x) deduct, hold back and/or redirect any funds which may be payable to any Shareholder pursuant to the terms of this Agreement, the Escrow Agreement or any agreements or documents executed and delivered in connection herewith in order to pay, or establish a reserve for, (A) any amount that may be payable by such Shareholders hereunder or (B) any costs, fees, expenses and other liabilities incurred by the Shareholders Representative (in its capacity as such) in connection with this Agreement or its rights or obligations hereunder, including reasonable compensation to any consultants, attorneys, accountants or other representatives or agents retained by the Shareholders Representative for purposes of performing its duties hereunder, (xi) do and perform any and every act the Shareholders Representative deems required, necessary or proper, including transacting business on behalf of such Shareholder, in connection with the Transaction.

(b) The agency provided by Section 9.1(a) may be changed by the Shareholders Representative from time to time, and the Shareholders Representative, or any successor hereafter appointed, may resign, upon not less than thirty (30) days prior written notice to Buyer. In the event of a resignation by the Shareholders Representative, a successor will be named by a majority vote of the Shareholders. All power, authority, rights and privileges conferred in this Agreement to the Shareholders Representative will apply to any successor Shareholders Representative.

(c) The Shareholders Representative will not be liable for any act done or omitted under this Agreement or any agreements or documents executed and delivered in connection herewith as Shareholders Representative while acting in good faith, and any act taken or omitted to be taken pursuant to the advice of counsel will be conclusive evidence of such good faith. Each of Buyer and Acquisition Company agrees that it will not look to the personal assets of the Shareholders Representative, acting in such capacity, for the satisfaction of any obligations to be performed by the Company (pre-Closing) or the Shareholders. In performing any of its duties under this Agreement or any agreements or documents executed and delivered in connection herewith, the Shareholders Representative will not be liable to the Shareholders for any Losses that such Person may incur as a result of any act, or failure to act, by the Shareholders Representative under this Agreement or any agreements or documents executed and delivered in connection herewith, and the Shareholders Representative will be indemnified and held harmless by the Shareholders for all Losses, except to the extent that the actions or omissions of the Shareholders Representative were taken or omitted not in good faith. The limitation of liability provisions of this Section 9.1(c) will survive the termination of this Agreement and the resignation of the Shareholders Representative.

(d) Any out-of-pocket costs and expenses reasonably incurred by the Shareholders Representative in connection with actions taken in performance of its duties hereunder will be reimbursed to the Shareholders Representative by the Shareholders first from any payments released from the Indemnity Escrow Account and thereafter, from the Shareholders, in each case on a pro rata basis in proportion to each such Shareholder's Percentage Interest as of the date hereof. In no event shall Buyer, Acquisition Company or the Company or any of their respective Affiliates or Representatives have any obligation to reimburse the Shareholders Representative for all or any portion of any costs or expenses of the Shareholders Representative.

Section 9.2 Press Releases and Communications. No press release or public announcement related to this Agreement or the Transaction shall be issued or made by any party hereto without the joint approval of Buyer and the Shareholders Representative, unless required by law (in the reasonable opinion of counsel) in which case Buyer and the Shareholders Representative shall have the right to review such press release, announcement or communication prior to its issuance, distribution or publication.

Section 9.3 Expenses. Except as otherwise expressly provided herein Buyer and the Company shall each pay their own expenses (including attorneys' and accountants' fees and expenses) in connection with the negotiation of this Agreement, the performance of its obligations hereunder and the consummation of the Transaction (whether consummated or not).



Section 9.4 Knowledge Defined. For purposes of this Agreement, the term “the Company’s knowledge” as used herein shall mean the actual knowledge of Josh Reel, Jennifer Crisp, Colin Anderson and Loren Rosenthal and the knowledge that each such person would reasonably be expected to obtain in the course of diligently performing his or her duties for the Company and assuming reasonable inquiry.

Section 9.5 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted via electronic mail to the e-mail address set out below if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a Business Day then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third (3<sup>rd</sup>) Business Day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing:

Notices to Buyer, Acquisition Company or the Company (after the Closing):

Shift8 Technologies, Inc.  
Attention: Arthur L. Smith  
3463 Magic Drive, Suite 235  
San Antonio, TX 78229  
  
Fax: (210) 693-1012  
Email: art.smith@shift8networks.net

with a copy to (which shall not constitute notice):

BoyarMiller  
2925 Richmond Ave., 14<sup>th</sup> Floor  
Houston, TX 77098  
  
Fax: (713) 552-1758  
Attention: Lawrence E. Wilson  
Email: lwilson@boyarmiller.com

Notices to the Company (before the Closing):

T3 Communications, Inc.  
Attention: Mr. Josh Reel, Chief Executive Officer  
2401 First Street, Suite 300  
Ft. Myers, FL 33901  
  
Fax: (239) 333-0305  
Email: josh@nexgencom.com

with a copy of all correspondence to the Company to (which shall not constitute notice):

K&L Gates LLP  
Southeast Financial Center, Suite 3900  
200 South Biscayne Boulevard  
Miami, Florida 33131

Fax: (305) 358-7095  
Attention: Clayton E. Parker, Esq.  
Email: clayton.parker@klgates.com

Notices to the Shareholders Representative (after the Closing Date):

Mr. Stuart Conrad  
485 Majestic Cove  
Alpharetta, GA 30004

Fax: 674-550-9627  
Email: stuartconrad@att.net

Section 9.6 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by any party hereto without the prior written consent of the other parties hereto except that Buyer may assign this Agreement and its rights hereunder to any lender in connection with obtaining financing for the Transaction.

Section 9.7 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 9.8 No Strict Construction; Disclosure Schedules. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person. The Disclosure Schedules attached to this Agreement have been arranged for purposes of convenience in separately titled sections corresponding to sections of this Agreement; provided, however, that each section of the disclosure schedules shall be deemed to incorporate by reference all information disclosed in any other section of the disclosure schedules to which such disclosure is relevant to the extent it is reasonably apparent from the face of such disclosure to a reader unfamiliar with the Company's business that such disclosure is applicable to such other section. Capitalized terms used in the Disclosure Schedules and not otherwise defined therein have the meanings given to them in this Agreement. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement or the Disclosure Schedules attached hereto is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed

(including, without limitation, whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the ordinary course of business, and no party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the Disclosure Schedules in any dispute or controversy between the parties as to whether any obligation, item or matter not described or included in this Agreement or in any Disclosure Schedule is or is not required to be disclosed (including, without limitation, whether such amounts or items are required to be disclosed as material or threatened) or is within or outside of the ordinary course of business for purposes of this Agreement. The information contained in this Agreement and in the Disclosure Schedules hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever (including, without limitation, any violation of law or breach of contract).

Section 9.9 Amendment and Waiver. Any provision of this Agreement or the Disclosure Schedules hereto may be amended only in a writing signed by Buyer and the Shareholders Representative. No waiver by any party of any provision of this Agreement or any default, misrepresentation or breach hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the party making such waiver, and no such waiver shall extend to or affect in any way any other provision or prior or subsequent breach, misrepresentation or default.

Section 9.10 Complete Agreement. This Agreement, including the Disclosure Schedules and Exhibits hereto, the Escrow Agreement and the other documents referred to herein contain the complete agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

Section 9.11 Counterparts. This Agreement may be executed in multiple counterparts (including by means of telecopied or electronic (.pdf) signature pages), any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument.

Section 9.12 Governing Law. All matters relating to the interpretation, construction, validity and enforcement of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of Florida.

Section 9.13 Consent to Jurisdiction and Service of Process. The parties to this Agreement submit to the exclusive jurisdiction of the state courts located in Lee County in the State of Florida, or the courts of the United States located in Lee County, Florida in respect of the interpretation and enforcement of the provisions of this Agreement and any related agreement, certificate or other document delivered in connection herewith and by this Agreement waive, and agree not to assert, any defense, in any action for the interpretation or enforcement of this Agreement and any related agreement, certificate or other document delivered in connection herewith, that they are not subject thereto or that such action may not be brought or is not maintainable in such courts or that this Agreement may not be enforced in or by such courts or

that their property is exempt or immune from execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper. Service of process with respect thereto may be made upon any party by mailing a copy thereof by registered or certified mail, postage prepaid, to such party at its address as provided in Section 9.5.

Section 9.14 Waiver of Jury Trial. Each party hereto hereby acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the Transaction. Each party certifies and acknowledges that (i) no Representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) such party understands and has considered the implications of this waiver, (iii) such party makes this waiver voluntarily, and (iv) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.14.

Section 9.15 No Third-Party Beneficiaries. No Person other than the parties hereto shall have any rights, remedies, or benefits under any provision of this Agreement, other than Section 7.2 and Section 7.3 (to the extent provided therein), and the directors and officers of the Company solely with respect to Section 5.7.

Section 9.16 Specific Performance. The parties hereto agree that, if any of the provisions of this Agreement or any other document contemplated by this Agreement were not performed in accordance with its specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and, therefore, the parties shall be entitled to specific performance of the terms hereof and thereof, in addition to any other remedy at law or in equity.

Section 9.17 Representation of the Company and its Affiliates. Buyer acknowledges, on its own behalf and on behalf of the Buyer Indemnitees, that the fact that K&L Gates LLP may have represented the Company, the Shareholders and their respective Affiliates prior to Closing shall not prevent K&L Gates LLP from representing the Shareholders and such Affiliates, or their respective equityholders, officers, or managers, in connection with any matters involving, including without limitation any disputes with, any of the parties to this Agreement after Closing (a "Post-Closing Representation"). Buyer (on behalf of itself and its Affiliates) and the Company hereby waive any claim they have or may have that K&L Gates LLP has a conflict of interest or is otherwise prohibited from engaging in a Post-Closing Representation and agree that, in the event that a dispute arises after the Closing between a Buyer Indemnitee or the Shareholders or one of their respective Affiliates in connection with any matters related to this Agreement or the Transaction, K&L Gates LLP may represent the Shareholders or their respective Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to Buyer or the Company and even though K&L Gates LLP may have represented the Company in a matter substantially related to such dispute. Buyer represents that Buyer's own attorney has explained and helped Buyer evaluate the implications and risks of waiving the right to assert a future conflict against K&L Gates LLP, and Buyer's consent with respect to this waiver is fully informed. Each of the parties hereby irrevocably acknowledges and agrees that

all communications prior to the Closing between the Company, the Shareholders and their respective Affiliates and their external legal counsel, including but not limited to K&L Gates LLP, made in connection with the negotiation, preparation, execution, delivery and performance under, or any dispute or proceeding arising out of or relating to, this Agreement, any agreements contemplated by this Agreement or the Transaction, or any matter relating to any of the foregoing (including, for the avoidance of doubt, all of the client files and records in the possession of K&L Gates LLP related to this Agreement and the Transaction), are privileged communications between the Shareholders and such counsel and thereby property of the Shareholders, and the attorney-client privilege and the expectation of client confidence belongs to, and shall be controlled by, the Shareholders and will not pass to or be claimed by Buyer or the Company, and from and after the Closing neither the Company nor any other Person purporting to act on behalf of or through the Company will seek to obtain such communications, whether by seeking a waiver of the attorney-client privilege or through any other means. In addition, Buyer and the Company agree that it would be impractical to remove all attorney-client communications from the records (including e-mails and other electronic files) of the Company. Accordingly, Buyer will not, and will cause each of its Affiliates, and the Company will not, use any attorney-client communication remaining in the records of the Company after Closing in a manner that may be adverse to the Shareholders or any of their respective Affiliates.

Section 9.18 Conflict Between Transaction Documents. The parties hereto agree and acknowledge that, to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any other agreement, document or instrument contemplated hereby, this Agreement shall govern and control.

Section 9.19 Buyer Deliveries. Buyer agrees and acknowledges that all documents or other items delivered or made available to Buyer's Representatives, and all documents or other items made available to Buyer and its Representatives in the Company's electronic data room shall be deemed to be delivered or made available, as the case may be, to Buyer for all purposes hereunder.

Section 9.20 Interpretation.

(a) All references in this Agreement to Exhibits, disclosure schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, disclosure schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof.

(b) Exhibits and disclosure schedules to this Agreement are attached hereto and incorporated herein by reference and made a part hereof for all purposes.

(c) The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words "this Article," "this Section" and "this subsection," and words of similar import, refer only to the Article, Section or subsection

hereof in which such words occur. The word “or” is exclusive, and the word “including” (in its various forms) means “including without limitation.”


(d) Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

\* \* \* \*

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

**COMPANY:**

**T3 COMMUNICATIONS, INC.**

By:   
Name: Steven C. Jones  
Its: Chairman of the Board

**BUYER:**

**SHIFT8 TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
Name:  
Its:

**ACQUISITION COMPANY:**

**T3 ACQUISITION, INC.**

By: \_\_\_\_\_  
Name:  
Its:

**SHAREHOLDERS REPRESENTATIVE:**

  
Name: Stuart Conrad

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

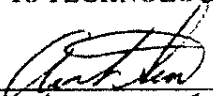
**COMPANY:**

**T3 COMMUNICATIONS, INC.**

By: \_\_\_\_\_  
Name:  
Its:

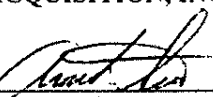
**BUYER:**

**SHIFT8 TECHNOLOGIES, INC.**

By:  \_\_\_\_\_  
Name: *Arthur L. Smith*  
Its: *CEO*

**ACQUISITION COMPANY:**

**T3 ACQUISITION, INC.**

By:  \_\_\_\_\_  
Name: *Arthur L. Smith*  
Its: *President*

**SHAREHOLDERS REPRESENTATIVE:**

\_\_\_\_\_  
Name: *Stuart Conrad*



## ANNEX A

### DEFINITIONS

“Acquisition Company” shall have the meaning set forth in the preamble.

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, “controlling,” “controlled” and “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

“Agreement” shall have the meaning set forth in the preamble.

“Alternative Transaction” means any, direct or indirect, acquisition or purchase of any part or all of the capital stock of the Company, or any part of, or all of, the assets owned by the Company, or any merger, consolidation or business combination with the Company.

“Anti-Corruption Laws” shall have the meaning set forth in Section 3.24(a).

“Business” means the business of providing voice and data communications services to business customers.

“Business Day” means a day other than Saturday, Sunday or any day on which banks located in the State of Florida are authorized or obligated to close.

“Buyer” shall have the meaning set forth in the preamble.

“Buyer Fundamental Representations” shall have the meaning set forth in Section 7.1(a).

“Buyer Indemnitees” shall have the meaning set forth in Section 7.2.

“Cap” shall have the meaning set forth in Section 7.4(a).

“Cash on Hand” means, with respect to the Company, all cash, all cash equivalents, all restricted cash, marketable securities and deposits with third parties (excluding landlords) in each case determined in accordance with GAAP. For the avoidance of doubt, Cash on Hand shall be calculated net of issued but uncleared checks, wire transfers and drafts and shall include checks, wire transfers and drafts deposited or available for deposit for the account of the Company.

“Claiming Party” shall have the meaning set forth in Section 7.6(a).

“Closing” shall have the meaning set forth in Section 2.1.

“Closing Balance Sheet” shall have the meaning set forth in Section 2.5(c).

“Closing Minimum Cash” shall have the meaning set forth in Section 1.4.

“Closing Date” shall have the meaning set forth in Section 2.1.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” shall have the meaning set forth in the preamble.

“Company Closing Expenses” means all of the Company’s and/or the Shareholders’ expenses, fees or charges incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and the Escrow Agreement and any document contemplated hereby or thereby, including without limitation all attorneys’, accountants’, consultants’, professionals’, investment bankers’ and other advisors’ fees and expenses that have not been paid in full in cash as of the Closing. Without limiting the foregoing, Company Closing Expenses include (i) all expenses and payments incurred or made in connection with obtaining consents or waivers from landlords, customers, vendors, Governmental Bodies or any other party from whom a consent or waiver is required in connection with the Transaction, (ii) all transaction or change in control bonuses paid by the Company as part of the Transaction, (iii) the fees and expenses of the Escrow Agent and the Payment Agent, and (iv) the costs of the “discovery/runoff” or “tail” insurance policy described in Section 5.7(c).

“Company Fundamental Representations” shall have the meaning set forth in Section 7.1(a).

“Company’s knowledge” shall have the meaning set forth in 0.

“Confidentiality Agreement” means that certain Confidentiality Agreement, dated February 25, 2016, between Buyer and the Company.

“D&O Indemnified Person” shall have the meaning set forth in Section 5.7(a).

“Deductible” shall have the meaning set forth in Section 7.4(a).

“Defending Party” shall have the meaning set forth in Section 7.6(a).

“Dispute Resolution Firm” means Horn Solutions, provided it shall be independent of the parties hereto at all times during which it is engaged pursuant to this Agreement.

“Dissenting Shares” shall have the meaning set forth in 0.

“Distributable Net Purchase Price” shall have the meaning set forth in Section 2.4(g)(i).

“Due Date” shall have the meaning set forth in Section 5.10(a)(ii).

“Employment Agreement” shall have the meaning set forth in Section 2.2(k).

“Environmental Laws” means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, and all judicial and administrative orders and determinations that are binding upon the Company, concerning pollution or protection of the environment, including without limitation all those relating to the, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any Hazardous Substances, as such of the foregoing are promulgated and in effect on or prior to the Closing Date.

“ERISA” shall have the meaning set forth in Section 3.16(a).

“ERISA Affiliate” shall have the meaning set forth in Section 3.16(a).

“Escrow Account” means the account established by the Escrow Agent pursuant to the terms of the Escrow Agreement.

“Escrow Agent” means Wilmington Trust, N.A., or its permitted successors and assigns, in its capacity as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement, in the form attached hereto as Exhibit F, to be entered into among Buyer, the Shareholders Representative and the Escrow Agent.

“Escrow Amounts” shall mean the sum of the Indemnity Escrow Amount and the Working Capital Escrow Amount.

“Escrow Release Date” shall have the meaning set forth in Section 7.11.

“Estimated Company Closing Expenses” shall have the meaning set forth in Section 2.5(a).

“Estimated Indebtedness” shall have the meaning set forth in Section 2.5(a).

“Estimated Net Working Capital” shall have the meaning set forth in Section 2.5(a).

“Estimated Purchase Price” shall have the meaning set forth in Section 2.5.

“Excess Cash” shall have the meaning set forth in Section 2.4(b)

“FBCA” shall have the meaning set forth in the recitals.

“FCPA” shall have the meaning set forth in Section 3.24(a).

“Financial Statements” shall have the meaning set forth in Section 3.6.

“Fundamental Representations Expiration Date” shall have the meaning set forth in Section 7.1(a).

“GAAP” means United States generally accepted accounting principles as in effect on the date hereof, consistently applied in the same manner used in preparing the Company’s audited balance sheet and statements of operations and cash flows for the fiscal year ended December 31, 2015.

“General Representations Expiration Date” shall have the meaning set forth in Section 7.1(b).

“Governmental Body” means any federal, state, local, municipal, foreign or other government or quasi-governmental authority or any department, agency, commission, board, subdivision, bureau, agency, instrumentality, court or other tribunal of any of the foregoing.

“Hazardous Substance” means any flammable substances, radioactive materials, asbestos, polychlorinated biphenyls, lead, carcinogens, reproductive toxins, pollutants and contaminants (including, raw materials, intermediate products, final products and wastes) that may cause or pose or present a potential hazard to human health or safety or the environment because of its toxicity, including petroleum and any fraction thereof and any chemical defined as hazardous or toxic by any Environmental Laws, including any hazardous substance as defined in the Comprehensive Environmental Response, Compensation, and Liability Act 42 U.S.C. § 9601, et seq.

“Income Tax” or “Income Taxes” means any Tax or Taxes imposed on or measured in whole or in part by income.

“Income Tax Returns” means all Tax Returns filed with respect to Income Taxes.

“Indebtedness” means, with respect to the Company, without duplication, (i) indebtedness for money borrowed, including credit card debt (including any prepayment penalties, fees, premiums or expenses with respect thereto); (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments (including derivative financial instruments such as foreign currency contracts and interest rate swaps, letters of credit and performance or surety bonds), including the current portion of such indebtedness; (iii) all obligations under leases required to be capitalized in accordance with GAAP other than amounts appearing on Schedule 2; (iv) all unpaid portions of installment purchases; (v) all unpaid Shareholder Taxes for the calendar year 2016; (vi) any other liability commonly considered indebtedness under GAAP (including any portion thereof required under GAAP to be recorded as a short-term indebtedness); (vii) all obligations of the type referred to in clauses (i) through (vi) of any Persons for the payment of which the Company is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (viii) all obligations of the type referred to in clauses (i) through (viii) secured by any Lien on any property or asset of the Company (whether or not such obligation is assumed by the Company); provided, long-term deferred Tax liabilities and real estate leases shall not be considered Indebtedness. To avoid double counting, any item included in the determination of Net Working Capital shall be deemed not to be included in Indebtedness for the purposes of Section 1.4.

“Indemnitee” means a Buyer Indemnitee or Shareholder Indemnitee, as applicable.

“Indemnity Escrow Account” means an account established by the Escrow Agent pursuant to the Escrow Agreement for purposes of indemnification payments owing by the Shareholders pursuant to Section 7.2.

“Indemnity Escrow Amount” means \$400,000 in cash deposited at the Closing in the Indemnity Escrow Account with the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement.

“Intellectual Property” shall have the meaning set forth in Section 3.14(a).

“ITV” means ITVantage, Inc., a Florida corporation.

“Key Employees” shall mean Josh Reel, Jennifer Crisp, Colin Anderson and Loren Rosenthal.

“Latest Balance Sheet” shall have the meaning set forth in Section 3.6.

“Leased Real Property” shall have the meaning set forth in Section 3.9(b).

“Leases” shall have the meaning set forth in Section 3.9(b).

“Lien” means any lien, mortgage, security interest, pledge deposit, encumbrance, deed of trust, claim, or other similar restriction.

“Loss(es)” shall have the meaning set forth in Section 7.2.

“Loss Shortfall” shall have the meaning set forth in Section 7.10(b).

“Material Adverse Effect” means any effect, change, development or circumstance that, individually or in the aggregate, is materially adverse to the business, assets, results of operations or financial condition of the Company, taken as a whole, but excluding (and none of the following shall be taken into account in determining whether there has been a Material Adverse Effect) any effect, change, development or circumstance resulting or arising from (i) conditions affecting the industry in which the Company participates that are not unique to the Company as compared to other industry participants, the U.S. economy as a whole or the capital markets in general or the markets in which the Company operates (except to the extent such change, effect, event, occurrence, state of facts or development disproportionately affects (relative to other participants in the industry in which the Company operates) the Company), (ii) the execution of this Agreement or the announcement or pendency of the Transaction, (iii) changes in laws, rules, regulations, orders or other binding directives issued by any Governmental Body that are not specific to the business or markets in which the Company operates, (iv) changes in GAAP, (v) national or international political or social conditions, including any act of terrorism, declaration of war or other global unrest or international hostilities, except to the extent such events result in direct loss or damage to the tangible assets of

the Company, (vi) any failure (in and of itself) by the Company to meet financial forecasts, projections or estimates (it being understood that the facts or circumstances giving rise to such failure may be taken into account in determining whether an Material Adverse Effect has occurred); (vii) compliance with the terms of, or the taking of any action contemplated by, this Agreement or any related action, (viii) the identity of Buyer or (ix) the taking of any action by, or requested by, Buyer.

“Material Contracts” shall have the meaning set forth in Section 3.13(b).

“Merger” shall have the meaning set forth in the recitals.

“Net Working Capital” means, as of the Closing Date, the difference, after giving effect to appropriate reserves, between (a) the sum of the amounts shown in the line items from the Company’s consolidated balance sheets under “Current Assets” including any cash remaining with the Company at Closing, but excluding prepaid expenses with respect to Company Closing Expenses; and (b) the sum of the amounts shown in the line items from the Company’s consolidated balance sheets under “Current Liabilities” (and specifically including, whether or not typically included in the Company’s balance sheet, accrued income tax payable for the period between January 1, 2016 and the Closing after giving effect to the tax benefits that may accrue from any Company Closing Expenses) but excluding (i) Indebtedness and (ii) the amounts used in calculating the Company Closing Expenses. The determination of Net Working Capital shall be in accordance with GAAP applied on a basis consistent with the methodologies, practices, estimation techniques, assumptions and principles used in the preparation of the Financial Statements. Notwithstanding the foregoing, (i) Current Liabilities shall include all employment Taxes payable by the Company with respect to the payment of any Company Closing Expenses, and (ii) the calculation of “Net Working Capital” shall not include any assets or liabilities that are attributable to (A) current and deferred Tax items or (B) the use (or expected use of) any Tax attributes or Tax credits in a post-Closing Tax period (or portion of any Straddle Period beginning on the Closing Date). A sample calculation of Net Working Capital is attached, for purposes of illustration only, as Exhibit I.

“Non-Compete and Confidentiality Agreement” is referred to in Section 2.2(g).

“Objections Statements” shall have the meaning set forth in Section 2.5(c).

“Outside Date” shall have the meaning set forth in Section 8.1(d)(iii).

“Payment Agent” means Wilmington Trust, N.A., or its permitted successors and assigns, in its capacity as payment agent under the Payment Agent Agreement.

“Payment Agent Agreement” means the Payment Agent Agreement, in the form reasonably agreed to by the Buyer, the Shareholders Representative and the Company.

“Pension Plans” shall have the meaning set forth in Section 3.16(a).

“Percentage Interest” means the proportion of the Shares and shares of Common Stock underlying T3 Options held by the applicable Shareholder to the total number of Shares

and shares of Common Stock underlying T3 Options held by all Shareholders as of the Closing as is set forth on **Schedule 1**.

“**Permitted Liens**” means (i) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company, (ii) landlords’, mechanics’, carriers’, workers’, repairers’ and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not delinquent, (iii) zoning, entitlement, building and other land use regulations imposed by Governmental Bodies having jurisdiction over the Leased Real Property which are not violated by the current use and operation of the Leased Real Property, (iv) covenants, conditions, restrictions, easements and other similar matters of record affecting title to the Leased Real Property which do not materially impair the occupancy or use of the Leased Real Property for the purposes for which they are currently used or proposed to be used in connection with the Company’s businesses, (v) public roads and highways, (vi) matters which would be disclosed by an inspection or accurate survey of each parcel of Leased Real Property, (vii) Liens arising under worker’s compensation, unemployment insurance, social security, retirement and similar legislation, (viii) purchase money liens and Liens securing rental payments under capital lease arrangements, (ix) other Liens arising in the ordinary course of business and not incurred in connection with the borrowing of money, (x) Liens, the existence of which would not reasonably be expected to have a Material Adverse Effect, (xi) those matters identified on **Schedule A**, and (xii) Liens created by any act of Buyer.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Governmental Body.

“**Plans**” shall have the meaning set forth in **Section 3.16(a)**.

“**Post-Closing Representation**” shall have the meaning set forth in **Section 9.17**.

“**Pre-Closing Tax Period**” means any taxable period commencing prior to and ending on or before the Closing Date.

“**Preliminary Closing Statement**” shall have the meaning set forth in **Section 2.5(c)**.

“**Pro Rata Share**” means, with respect to each Shareholder, the percentage of the Distributable Net Purchase Price directly across from such Shareholder’s name on **Schedule 1**.

“**Purchase Price**” shall have the meaning set forth in **Section 1.4**.

“**Qualified Plan**” shall have the meaning set forth in **Section 3.16(c)**.

“**Relocation**” shall have the meaning set forth in **Schedule 3**.

“**Remainder Cash**” shall have the meaning set forth in **Section 2.4(d)**.

“Representative(s)” of a Person, means the directors, officers, employees, advisors, agents, consultants, attorneys, accountants, investment bankers or other representatives of such Person.

“Requisite Shareholders” means the holders of a majority of the Shares.

“Schedule Supplement” shall have the meaning set forth in Section 5.4.

“Securities Act” means the Securities Act of 1933, as amended.

“Shareholder Indemnitees” shall have the meaning set forth in Section 7.3.

“Shareholder Taxes” means any and all (a) Taxes imposed on Company or with respect to any of its assets for any Pre-Closing Tax Period, (b) Straddle Period Shareholder Taxes, (c) Taxes of any member of an affiliated, consolidated, combined, or unitary group of which Company (or any predecessor) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation Section 1.1502-6 (or any analogous or similar state, local, or foreign law), (d) Taxes of any Person (other than Company, Buyer or any Affiliates of Buyer) imposed on Company as a transferee or successor, by contract, or pursuant to any law, rule or regulation, that relate to an event or transaction occurring before the Closing, and (e) any Taxes imposed on the Shareholders or any Affiliates of the Shareholders for any taxable period; provided, however, that the term “Shareholder Taxes” shall not include any accruals for Taxes that are taken into account for purposes of determining Net Working Capital.

“Shareholders” shall have the meaning set forth in Section 3.5(c).

“Shareholders Meeting” shall have the meaning set forth in Section 2.2(b).

“Shareholders Representative” shall have the meaning set forth in the preamble.

“Shares” shall have the meaning set forth in Section 3.5(a).

“Stock Plan” shall have the meaning set forth in Section 3.5(b).

“Straddle Period” means any taxable period that includes (but does not end on) the Closing Date.

“Straddle Period Shareholder Taxes” means the portion of any Taxes imposed on Company, or for which Company may otherwise be liable or obligated to pay with respect to a Straddle Period that is allocable to the portion of the Straddle Period ending on the Closing Date as follows: (a) in the case of Taxes that are either (i) based upon or related to income, gains, receipts, or gross margins, or (ii) imposed on a non-periodic basis, the amount of such Taxes that would be payable pursuant to a closing of the books if the applicable taxable year ended on and included the Closing Date; and (b) in the case of Taxes not described above in clause (a), the amount of such Taxes for the entire Straddle Period multiplied by a fraction the numerator of which is the number of calendar days in the Straddle Period ending on and including the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period;



provided, however, that, (A) for purposes of clause (a) above, exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be apportioned between the portion of the Straddle Period ending on the Closing Date and the portion of the Straddle Period after the Closing Date in proportion to the number of days in each such portion, and (B) any credits relating to a Straddle Period shall be allocated to the portion of the Straddle Period ending on the Closing Date in the same manner as the Taxes to which such credits relate.

“Surrendered Stock” shall have the meaning set forth in Section 2.2(i).

“T3 Options” shall have the meaning set forth in Section 3.5(b).

“Target Net Working Capital” means \$25,000.

“Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, capital stock, franchise, profits, withholding, social security, payroll, employment, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated windfall profits, customs, duties or other taxes, fees, assessments or chargers of any kind whatsoever, whether computed on a separate, consolidated, unitary, or combined basis, or in any other manner, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, whether or not disputed, and including any obligation to indemnify or otherwise assume, succeed to, or be responsible for the liability for Taxes of any other Person.

“Tax Benefit” shall have the meaning set forth in 0.

“Tax Objection Notice” shall have the meaning set forth in Section 5.10(a)(ii).

“Tax Returns” means any return, report, declaration, claim for refund, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any Governmental Body or other authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

“Third-Party Claim” shall have the meaning set forth in Section 7.6(a).

“Transaction” means, collectively, the transactions contemplated by this Agreement and the other Transaction Documents.

“Transaction Documents” means this Agreement, the Escrow Agreement, Payment Agent Agreement, the Non-Compete and Confidentiality Agreements, Transmittal Letters and any other agreements that may be necessary to consummate the Transaction, in each case including all exhibits and schedules thereto and all amendments thereto made in accordance with the respective terms thereof.

“Transmittal Letter” shall have the meaning set forth in Section 1.6(a).

“Treasury Regulations” means the regulations promulgated by the United States Treasury Department under the Code.

“Welfare Plan” shall have the meaning set forth in Section 3.16(a).

“Working Capital Escrow Account” means an account established by the Escrow Agent pursuant to the Escrow Agreement.

“Working Capital Escrow Amount” means an amount deposited at the Closing in the Working Capital Escrow Account with the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement, which shall be \$50,000.

**SCHEDULES**

[See attached]

Schedules

*Final Version*

**DISCLOSURE SCHEDULES**  
**to**  
**AGREEMENT AND PLAN OF MERGER**

by and among

Shift8 Technologies, Inc., as Buyer,

T3 Acquisition, Inc., as Acquisition Company,

and

T3 Communications, Inc., as Company

Dated as of May 8, 2017

## DISCLOSURE SCHEDULES

The information contained in these Disclosure Schedules provides exceptions to or otherwise qualifies the representations, warranties and covenants of T3 Communications, Inc., a Florida Company ("Company") contained in that certain Agreement and Plan of Merger, dated as of May 8, 2017 (as amended or modified in accordance with its terms, the "Agreement"), by and between Company, Shift8 Technologies, Inc., a Nevada corporation ("Buyer") and T3 Acquisition, Inc. , a Florida corporation and subsidiary of Buyer ("Acquisition Company"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

These Disclosure Schedules shall be construed with and as an integral part of the Agreement to the same extent as if the same had been set forth verbatim therein. The specific disclosures set forth in these Disclosure Schedules have been organized to correspond to the section references in the Agreement to which the disclosure may be most likely to relate, together with appropriate cross references when disclosure is applicable to other sections of the Agreement; provided, however, that any fact or item disclosed in any Schedule of these Disclosure Schedules shall be deemed to be disclosed with respect to another Schedule whether or not a specific cross-reference thereto appears, to the extent that it is reasonably apparent on its face that the disclosure of such matter is applicable to such Schedule of the Disclosure Schedules, including in cases where the corresponding section or subsection of these Disclosure Schedules includes the phrase "No disclosure". Inclusion of information in these Disclosure Schedules will not be construed as an admission that such information is material to the operations or condition (financial or otherwise) of the Company or of the Business or that such information is required to be referred to or disclosed in accordance with the Agreement. The Disclosure Schedules are qualified in their entirety by reference to the provisions of the Agreement and are not intended to constitute, and shall not be construed as constituting, representations and warranties of Company except as and to the extent expressly provided in the Agreement, and shall not be deemed to expand the scope or effect of any representations or warranties in the Agreement. No disclosure of any matter in these Disclosure Schedules relating to any possible noncompliance, breach or violation of any Law, or of any contract, license, or similar document or instrument, shall be construed as an agreement or acknowledgment that any such noncompliance, breach or violation exists or has actually occurred, and nothing in these Disclosure Schedules shall constitute an admission of any liability or obligation of Company or any of its Affiliates to any Person or shall confer or give to any Person any remedy, claim, reimbursement, cause of action or other right against Company or any of its Affiliates. Matters disclosed in these Disclosure Schedules are not necessarily limited to matters required to be disclosed by the Agreement. Such additional matters are disclosed for informational purposes and do not necessarily include other matters of a similar nature. For the avoidance of doubt, the phrase "No disclosure" used herein shall in no way limit or affect the application of the foregoing in these Disclosure Schedules.

The headings contained in these Disclosure Schedules are for reference purposes only and shall not in any way affect the meaning or interpretation of the information and disclosures contained in these Disclosure Schedules.

Where only brief particulars of a matter are set out or referred to in the Disclosure Schedules or a reference is made only to a particular part of a disclosed document, full particulars of the matter and the full contents of the document are deemed to be disclosed to the extent such brief particular of such matter or reference to a particular part of a disclosed document has been disclosed in a manner that it would reasonably be apparent that the omitted information with respect to such matters should be incorporated therein.

Any descriptions of contracts, license, or similar documents or instruments, or reports or other documents, set forth in these Disclosure Schedules are summaries only and are qualified in their entirety by the specific terms of such contracts, licenses, or similar documents or instruments, or reports or other documents.

The specification of any dollar amount in the representations or warranties contained in the Agreement or the inclusion of any specific item in any Disclosure Schedule is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation items or matter not described herein or included in a Disclosure Schedule is or is not material for purposes of the Agreement.

In disclosing the information contained in these Disclosure Schedules, Shareholders and Company expressly do not waive any attorney-client or other privileges associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed herein.

The attachments to these Disclosure Schedules form an integral part of these Disclosure Schedules and are incorporated by reference for all purposes as if set forth fully herein.

---

**Schedule 1**  
**T3 SHAREHOLDERS, SHARES AND OPTIONS HELD, PERCENTAGE INTERESTS,**  
**DISTRIBUTABLE NET PURCHASE PRICE & PRO RATA SHARE OF**  
**DISTRIBUTABLE NET PURCHASE PRICE**

See Attached

Schedule #1

**T3 Communications, Inc. Shareholders, Shares and Options Held, Percentage Interests, Distributable Net Purchase Price, and Pro Rata Share %**  
(Preliminary estimate - Schedule 1 will be finalized two days before closing, with a post closing adjustment to true-up working capital 90 days after Closing.)

Shareholder	As of: 3/31/2017	Stock Held as of 3/31/2017	Options Held as of 3/31/2017	Fully-Diluted Stock as of 3/31/2017	Percentage Interests	Allocation of Estimated Purchase Price	Less SH's Aggregate Option Exercise Proceeds (a)	Less SH's Percentage Of Working Cap Escrow	Less SH's Percentage of Indemnity Escrow	Estimated Distributable Net Purchase Price at Closing	Pro Rata Share %
<b>Calculation of Estimated Purchase Price</b>											
		Purchase Price Before Adjustments = \$		3,850,000							
		Estimated Net Working Capital Adjustment at Closing =		100,000							
		Estimated Indebtedness to Be Paid by Buyer at Closing =		-							
		Estimated T3 Closing Expenses to Be Paid by Buyer =		-							
		Estimated Purchase Price = \$		3,950,000							
1 Tee Three, LLP		1,623,630		1,623,630	29.1%	\$ 1,150,164.42	\$ -	\$ (14,559.07)	\$ (116,472.34)	\$ 1,019,133.01	29.4%
2 Steven C. Jones		753,253		753,253	13.5%	533,597.42	-	(6,754.40)	(54,035.18)	472,807.84	13.6%
3 Competitive Capital Partners, LP		376,074		376,074	6.7%	266,407.32	-	(3,372.24)	(26,977.96)	236,057.12	6.8%
4 Stephen Ward		218,163		218,163	3.9%	154,544.64	-	(1,956.26)	(15,650.09)	136,938.29	4.0%
5 Randy Henderson		250,000		250,000	4.5%	177,097.67	-	(2,241.74)	(17,933.94)	156,921.99	4.5%
6 Tad Yeater		250,000		250,000	4.5%	177,097.67	-	(2,241.74)	(17,933.94)	156,921.99	4.5%
7 Steven & Carisa Jones Defined Benefit Pension Plan		142,857		142,857	2.6%	101,198.57	-	(1,280.99)	(10,247.96)	89,669.62	2.6%
8 Steven Shimp		3,703		3,703	0.1%	2,623.17	-	(33.20)	(265.64)	2,324.33	0.1%
9 Christina Schroyer		1,852		1,852	0.0%	1,311.94	-	(16.61)	(132.85)	1,162.48	0.0%
10 Ian Schroyer		1,851		1,851	0.0%	1,311.23	-	(16.60)	(132.78)	1,161.85	0.0%
11 Joseph Schwartzel		3,703		3,703	0.1%	2,623.17	-	(33.20)	(265.64)	2,324.33	0.1%
12 James Moore		3,703		3,703	0.1%	2,623.17	-	(33.20)	(265.64)	2,324.33	0.1%
13 Clive Lubner		3,703		3,703	0.1%	2,623.17	-	(33.20)	(265.64)	2,324.33	0.1%
14 Gary Trippie		3,868		3,868	0.1%	2,740.06	-	(34.68)	(277.47)	2,427.91	0.1%
15 Scott Edmonds		3,703		3,703	0.1%	2,623.17	-	(33.20)	(265.64)	2,324.33	0.1%
16 David VanderMarwe		3,703		3,703	0.1%	2,623.17	-	(33.20)	(265.64)	2,324.33	0.1%
17 Frank D'Alessandro		3,709		3,709	0.1%	2,627.42	-	(33.26)	(266.07)	2,328.09	0.1%
18 Kathleen E. Shimp Trust		33,333		33,333	0.6%	23,612.79	-	(298.90)	(2,391.17)	20,922.72	0.6%
19 Arnold Skulteberg		12,500		12,500	0.2%	8,854.88	-	(112.09)	(896.70)	7,846.09	0.2%
20 Randy Henderson IRA		12,500		12,500	0.2%	8,854.88	-	(112.09)	(896.70)	7,846.09	0.2%
21 Jeff Green		71,428		71,428	1.3%	50,599.64	-	(640.49)	(5,123.94)	44,834.50	1.3%
22 Vicki C. Green		71,429		71,429	1.3%	50,599.64	-	(640.49)	(5,124.01)	44,835.13	1.3%
23 Virginia Henderson IRA		12,500		12,500	0.2%	8,854.88	-	(112.09)	(896.70)	7,846.09	0.2%
24 610 Corporation		66,667		66,667	1.2%	47,226.28	-	(597.80)	(4,782.41)	41,846.07	1.2%
25 Matt Davis		192,857		192,857	3.5%	136,618.11	-	(1,729.34)	(13,834.74)	121,054.03	3.5%
26 Bill and Pam Dankert		100,000		100,000	1.8%	70,839.07	-	(896.70)	(7,173.58)	62,768.79	1.8%
27 Kerypa Enterprises (McCurdy)		50,000		50,000	0.9%	35,419.53	-	(448.35)	(3,586.79)	31,384.39	0.9%
28 TGR Trust		411,634		411,634	7.4%	291,597.70	-	(3,691.11)	(29,528.88)	258,377.71	7.5%
29 Gary Snyder		71,429		71,429	1.3%	50,599.64	-	(640.50)	(5,124.01)	44,835.13	1.3%
30 Don Paight		71,429		71,429	1.3%	50,599.64	-	(640.50)	(5,124.01)	44,835.13	1.3%
31 Randy Henderson SR		57,143		57,143	1.0%	40,479.57	-	(512.40)	(4,099.20)	35,867.97	1.0%
32 Green Revocable Trust		149,221		149,221	2.7%	105,706.77	-	(1,338.06)	(10,704.48)	93,664.23	2.7%
33 Caviar Corporation		150,000		150,000	2.7%	106,258.60	-	(1,345.05)	(10,760.37)	94,153.18	2.7%
34 Roger R. Warren		62,423		62,423	1.1%	44,219.87	-	(559.75)	(4,477.96)	39,182.16	1.1%
35 Hugh W. Nevin & Eliza S. Nevin, JTWRWS		26,709		26,709	0.5%	18,920.41	-	(239.50)	(1,915.99)	16,764.92	0.5%
36 MadSavAsh Investments, LLC		5,342		5,342	0.1%	3,784.22	-	(47.90)	(383.21)	3,363.11	0.1%
37 Jeremy Stakely		200,000		200,000	3.6%	141,678.14	-	(1,793.39)	(14,347.15)	125,537.60	3.6%
38 Loren Rosenthal		-	100,000	100,000	1.8%	70,839.07	(35,000.00)	(896.70)	(7,173.58)	27,768.79	0.8%
<b>Total</b>		<b>5,476,019</b>	<b>100,000</b>	<b>5,576,019</b>	<b>100.0%</b>	<b>3,950,000.00</b>	<b>(35,000.00)</b>	<b>(50,000.00)</b>	<b>(400,000.00)</b>	<b>3,465,000.00</b>	<b>100.0%</b>

(a) Aggregate option exercise proceeds to be added to Company Remainder Cash



**Schedule 2**  
**EQUIPMENT LEASES ASSUMED BY BUYER**

(As of date of Merger Agreement)

1. Royal Bank America Leasing Schedule #6

Equipment : a) 10 APC Model AR 3100 Cabinets  
b) 20 AP 7930 PDUs  
c) 1 Juniper Router Model 1-MX480 Premium-AC

Lease Amt: \$45,475.00  
Start Date: 5/15/15  
End Date: 4/15/18  
Monthly Pmt: \$ 1,414.81  
Interest Rate: 7.512%  
4/30/17 Bal: \$16,306.46  
Amortization: See Schedule 2(a)

2. Royal Bank America Leasing Schedule #7

Equipment : a) 1 Juniper MX240 Base-DC  
b) 1 DPCE-R-20GE-2XGE

Lease Amt: \$19,375.00  
Start Date: 8/15/15  
End Date: 7/15/18  
Monthly Pmt: \$ 1,414.81  
Interest Rate: 7.536%  
4/30/17 Bal: \$8,606.43  
Amortization: See Schedule 2(b)

### Capital Lease Amortization for Roya Bank Lease Schedule #6

Enter values	
Loan amount	\$15,475.00
Annual interest rate	7.512%
Loan period in years	3
Number of payments per year	12
Start date of loan	5/15/2013
Optional extra payments	

Loan summary	
Scheduled payment	\$ 1,414.81
Scheduled number of payments	36
Actual number of payments	36
Deposit Held	\$ 1,414.81
Total interest	\$ 5,458.00

Lender name: ROYAL BANK SCHEDULE #6

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest	Amortization
1	5/15/2013	45,475.00	1,414.81		1,414.81	1,414.81	284.67	43,348.86	284.67	5,173.32
2	6/15/2013	43,348.86	1,414.81		1,414.81	1,327.21	277.60	41,207.62	562.27	4,895.72
3	7/15/2013	41,207.62	1,414.81		1,414.81	1,243.33	270.48	39,063.32	832.75	4,625.24
4	8/15/2013	39,063.32	1,414.81		1,414.81	1,161.49	263.32	36,923.13	1,096.07	4,361.93
5	9/15/2013	36,923.13	1,414.81		1,414.81	1,081.40	256.11	34,787.53	1,352.18	4,105.82
6	10/15/2013	34,787.53	1,414.81		1,414.81	1,002.96	248.85	32,662.17	1,601.03	3,856.96
7	11/15/2013	32,662.17	1,414.81		1,414.81	925.92	241.56	30,552.45	1,842.59	3,615.41
8	12/15/2013	30,552.45	1,414.81		1,414.81	850.00	234.21	28,464.24	2,076.80	3,381.20
9	1/15/2014	28,464.24	1,414.81		1,414.81	775.99	226.82	26,404.33	2,303.62	3,154.38
10	2/15/2014	26,404.33	1,414.81		1,414.81	703.43	219.38	24,384.90	2,523.00	2,934.99
11	3/15/2014	24,384.90	1,414.81		1,414.81	632.01	211.90	22,406.89	2,734.90	2,723.09
12	4/15/2014	22,406.89	1,414.81		1,414.81	561.44	204.37	20,475.35	2,939.27	2,518.72
13	5/15/2014	20,475.35	1,414.81		1,414.81	491.53	196.79	18,586.54	3,136.07	2,321.93
14	6/15/2014	18,586.54	1,414.81		1,414.81	422.04	189.17	16,744.59	3,325.24	2,132.76
15	7/15/2014	16,744.59	1,414.81		1,414.81	352.91	181.50	14,957.38	3,506.74	1,951.27
16	8/15/2014	14,957.38	1,414.81		1,414.81	284.04	173.77	13,222.57	3,680.51	1,777.49
17	9/15/2014	13,222.57	1,414.81		1,414.81	216.28	166.01	11,541.28	3,846.52	1,611.48
18	10/15/2014	11,541.28	1,414.81		1,414.81	150.62	158.19	9,913.09	4,004.71	1,453.30
19	11/15/2014	9,913.09	1,414.81		1,414.81	86.49	150.32	8,331.87	4,155.02	1,302.97
20	12/15/2014	8,331.87	1,414.81		1,414.81	24.40	142.41	6,811.46	4,297.43	1,160.57
21	1/15/2015	6,811.46	1,414.81		1,414.81		134.44	5,352.62	4,431.87	1,026.13
22	2/15/2015	5,352.62	1,414.81		1,414.81		126.43	3,871.41	4,558.30	899.70
23	3/15/2015	3,871.41	1,414.81		1,414.81		118.36	2,362.05	4,676.66	781.34
24	4/15/2015	2,362.05	1,414.81		1,414.81		110.25	816.24	4,786.91	671.09
25	5/15/2015	816.24	1,414.81		1,414.81		102.08	163.16	4,888.99	569.02
26	6/15/2015	163.16	1,414.81		1,414.81		93.86	69.30	4,982.84	475.16
27	7/15/2015	69.30	1,414.81		1,414.81		85.59	17.71	5,068.43	389.56
28	8/15/2015	17.71	1,414.81		1,414.81		77.27	11,006.02	5,145.70	312.29
29	9/15/2015		1,414.81		1,414.81		68.90	9,640.11	5,214.60	243.40
30	10/15/2015		1,414.81		1,414.81		60.47	8,305.72	5,275.07	182.92
31	11/15/2015		1,414.81		1,414.81		51.99	6,992.73	5,327.07	130.93
32	12/15/2015		1,414.81		1,414.81		43.46	5,711.27	5,370.53	87.47
33	1/15/2016		1,414.81		1,414.81		34.88	4,464.39	5,405.41	52.59
34	2/15/2016		1,414.81		1,414.81		26.24	3,245.15	5,431.65	36.35
35	3/15/2016		1,414.81		1,414.81		17.55	2,052.60	5,449.19	8.80
36	4/15/2016		1,414.81		1,414.81		8.80	917.80	5,458.00	0.00

### Capital Lease Amortization for Royal Bank Lease Schedule #7

Enter values	
Loan amount	\$ 519,275.00
Annual interest rate	7.536%
Loan period in years	36
Number of payments per year	12
Start date of loan	8/15/2015
Optional extra payments	-

Loan summary	
Scheduled payment	\$ 603.00
Scheduled number of payments	36
Actual number of payments	36
Deposit held	\$ 603.00
Total interest	\$ 2,332.14

Lender name: ROYAL BANK SCHEDULE #7

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest	Amortization
1	8/15/2015	519,275.00	603.00	-	603.00	481.33	121.68	18,893.68	121.68	2,211.46
2	9/15/2015	18,893.68	603.00	-	603.00	184.35	118.65	18,409.33	240.33	2,092.81
3	10/15/2015	18,409.33	603.00	-	603.00	187.30	115.61	17,921.94	355.94	1,977.20
4	11/15/2015	17,921.94	603.00	-	603.00	190.45	112.55	17,431.49	468.49	1,864.65
5	12/15/2015	17,431.49	603.00	-	603.00	193.53	109.47	16,937.96	577.96	1,755.18
6	1/15/2016	16,937.96	603.00	-	603.00	196.63	106.37	16,441.33	684.33	1,648.81
7	2/15/2016	16,441.33	603.00	-	603.00	199.75	103.25	15,941.58	787.58	1,545.56
8	3/15/2016	15,941.58	603.00	-	603.00	202.89	100.11	15,438.69	887.69	1,445.44
9	4/15/2016	15,438.69	603.00	-	603.00	206.05	96.93	14,932.65	984.62	1,348.49
10	5/15/2016	14,932.65	603.00	-	603.00	209.22	93.78	14,423.42	1,078.42	1,254.71
11	6/15/2016	14,423.42	603.00	-	603.00	212.42	90.58	13,911.00	1,169.00	1,164.13
12	7/15/2016	13,911.00	603.00	-	603.00	215.64	87.36	13,395.36	1,256.36	1,076.77
13	8/15/2016	13,395.36	603.00	-	603.00	218.88	84.12	12,876.49	1,340.49	992.65
14	9/15/2016	12,876.49	603.00	-	603.00	222.14	80.86	12,354.35	1,421.35	911.78
15	10/15/2016	12,354.35	603.00	-	603.00	225.41	77.59	11,828.94	1,498.94	834.20
16	11/15/2016	11,828.94	603.00	-	603.00	228.71	74.29	11,300.22	1,573.22	759.91
17	12/15/2016	11,300.22	603.00	-	603.00	232.03	70.97	10,768.19	1,644.19	688.95
18	1/15/2017	10,768.19	603.00	-	603.00	235.38	67.62	10,232.81	1,711.81	621.32
19	2/15/2017	10,232.81	603.00	-	603.00	238.74	64.26	9,694.07	1,776.07	557.06
20	3/15/2017	9,694.07	603.00	-	603.00	242.12	60.88	9,151.95	1,836.95	496.18
21	4/15/2017	9,151.95	603.00	-	603.00	245.53	57.47	8,606.43	1,894.43	438.71
22	5/15/2017	8,606.43	603.00	-	603.00	248.95	54.05	8,057.48	1,948.48	384.66
23	6/15/2017	8,057.48	603.00	-	603.00	252.40	50.60	7,505.08	1,999.08	334.06
24	7/15/2017	7,505.08	603.00	-	603.00	255.87	47.13	6,949.21	2,046.21	286.95
25	8/15/2017	6,949.21	603.00	-	603.00	259.36	43.64	6,389.85	2,089.85	243.29
26	9/15/2017	6,389.85	603.00	-	603.00	262.87	40.13	5,826.98	2,129.98	203.16
27	10/15/2017	5,826.98	603.00	-	603.00	266.41	36.59	5,260.57	2,166.57	166.56
28	11/15/2017	5,260.57	603.00	-	603.00	269.96	33.04	4,690.61	2,199.61	133.53
29	12/15/2017	4,690.61	603.00	-	603.00	273.54	29.46	4,117.06	2,229.06	104.07
30	1/15/2018	4,117.06	603.00	-	603.00	277.15	25.86	3,539.92	2,254.92	78.22
31	2/15/2018	3,539.92	603.00	-	603.00	280.77	22.23	2,959.15	2,277.15	55.98
32	3/15/2018	2,959.15	603.00	-	603.00	284.42	18.58	2,374.73	2,295.73	37.40
33	4/15/2018	2,374.73	603.00	-	603.00	288.09	14.91	1,786.63	2,310.63	22.49
34	5/15/2018	1,786.63	603.00	-	603.00	291.78	11.22	1,194.85	2,321.87	11.27
35	6/15/2018	1,194.85	603.00	-	603.00	295.50	7.50	599.37	2,329.37	3.76
36	7/15/2018	599.37	603.00	-	599.37	299.61	3.76	-	2,333.14	(0.00)

**Schedule 2.4(b)**  
**ESTIMATED INDEBTEDNESS TO BE PAID OFF AT CLOSING**

(As of 4/30/17, with the final balance to be updated prior to Closing)

1. American Express Corporate Credit Card

4/30/17 Balance – \$22,460.40

**Schedule 2.4(c)**  
**ESTIMATED COMPANY CLOSING EXPENSES**

(As of date of Merger Agreement, with the final balance to be updated prior to Closing)

<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1. Josh Reel	\$224,000	Retention Pmt & Warrant Make-Whole Pmt
2. Steven C. Jones	\$ 65,000	Board change of control payment
3. Randy Henderson	\$ 45,000	Board change of control payment
4. Stuart Conrad	\$ 45,000	Board change of control payment
5. Tad Yeatter	\$ 45,000	Board change of control payment
6. IX Advisors (Vik Grover)	\$ 38,500	Finders' fee agreement (1%)
7. K&L Gates	\$ 35,000	Transaction legal expenses
8. Aspen Capital Advisors, LLC	\$ 30,000	Transaction consulting fees
9. Stuart Conrad	\$ 7,500	Shareholders Representative fee
10. All others	<u>\$ 50,000</u>	Estimate for Escrow Agent fees, etc.
Total	\$575,000	

**Schedule 3**  
**RELOCATION**

“Relocation” means, to the extent that it occurs, and subject to Section 5.2, the relocation, to occur prior to the Closing unless otherwise agreed by the parties, of the Company’s operations currently located at 2401 First Street, Suite 300, Fort Myers, Florida 33901 to a location to be identified by the Company after the date of this Agreement, which location shall be reasonably acceptable to Buyer (the “New Property”). The term “Relocation” shall include all actions reasonably necessary to effect the transfer of the Company’s operations as described in the immediately preceding sentence, including, but not limited to:

- the entering into by the Company of a lease, at a location and on terms reasonably acceptable to Buyer, for the New Property;
- the incurrence of up to \$250,000 (or such other amount as may be agreed to by Buyer) of Indebtedness solely for the purpose of effecting the Relocation; and
- the making of capital expenditures or commitments therefor in an amount not in excess of \$250,000 (or such other amount as may be agreed to by Buyer) solely for the purposes of effecting the Relocation.

**Schedule 3.4(b)**  
**AUTHORIZATIONS, CONSENTS, APPROVALS, EXEMPTIONS OR OTHER**  
**ACTIONS REQUIRED.**

1. First Florida Integrity Bank (“FFIB”) – T3 Communications Services Agmt, dated 5/13/15

The Company is a party to a three (3) year Renewal Service Order with FFIB, dated 5/13/15, in which FFIB inserted a provision (paragraph 22) into the Standard Terms and Conditions that give FFIB the right to terminate the agreement upon a change of control. The specific language states:

“Upon written notice to T3, Customer shall have the right to terminate this Agreement upon a completion of a merger, consolidation or reorganization in a transaction in which T3 is not the surviving entity or T3 sells its assets or experiences a transfer to any person or group of 51% or more of its outstanding equity interest.”

The FFIB Agreement expires 6/25/2018 and currently bills approximately \$14,295/month.

2. Federal Communications Commission (FCC) consent.
3. Florida Public Utilities Commission consent

**Schedule 3.6**  
**FINANCIAL STATEMENTS**

1. Unaudited consolidated balance sheet of the Company, excluding ITV, as of December 31, 2016 (the "Latest Balance Sheet") and the related consolidated statements of operations and cash flows for the twelve (12)-month period then ended.

See attached Schedule 3.6(a)

2. The unaudited consolidated balance sheet of the Company, excluding ITV, as of March 31, 2017 and the related consolidated statements of operations and cash flows for the three (3)-month period then ended.

See attached Schedule 3.6(b) (preliminary – subject to revision)

3. The unaudited consolidated balance sheet and related consolidated statements of operations and cash flows of the Company as of and for the fiscal years ended December 31, 2015 and 2014, in each case excluding ITV.

See attached Schedule 3.6(c)(i) for 2015 and 3.6(c)(ii) for 2014

4. The audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2014, in each case including ITV.

See attached Schedule 3.6(d)



5:01 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Profit Loss**  
January through December 2016  
2016 TOTAL

Ordinary Income/Expense	<u>2016 TOTAL</u>
Income	
Broadband	
Fiber	1,307,950.79
Integrated Voice & Data	580,418.47
PRI	372,962.58
Data-Only	50,361.14
XDSL	99,581.60
ADSL	0.00
Wireless RC	127,626.96
ISP Services - NeoTech	1,651.20
Other Products & Services	147,707.27
HSE	600.00
Network Access Fees	95,405.81
XDSL Circuits	
XDSL - IAD	0.00
Total XDSL Circuits	<u>0.00</u>
WiMax	
Wireless PTP	2,095.00
Total WiMax	<u>2,095.00</u>
Total Broadband	2,786,360.82
Hosted PBX	
Meta - Hosted PBX	713,239.81
Hosted PBX - Transport	458,289.29
Meta - Rental	148,281.84
Total Hosted PBX	<u>1,319,810.94</u>
Long Distance & Usage	240,968.93
Colocation	217,835.68
TDM Voice	113,297.70
CABS Billing	350,688.60
Other Revenue	
Meta - Hosted Install	52,695.16
Wireless NRC	0.00
Circuit Installation	37,168.63
Telephone & Equipment	
Telephone Systems	18,489.18
T1 - IAD	0.00
Other Equipment	7,537.83
Total Telephone & Equipment	<u>26,027.01</u>
Billable Labor	39,447.07
Other NRC	24,939.96
Early Termination Penalty	9,936.78
Total Other Revenue	<u>190,214.61</u>
Total Income	5,219,177.28
Cost of Goods Sold	
Customer COG	

5:01 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Profit Loss**  
**January through December 2016**

	<u>2016 TOTAL</u>
Loop & Trans	1,000.00
HSE	537.12
<b>Loop &amp; Transport</b>	
Voice Gateway	126,472.60
Fiber	633,165.56
Wireless Transport	12,040.00
High Capacity Loops- T1/PRI	528,150.01
SHDSL Loops	22,280.58
Transport	126,027.57
Off-Net Circuits	17,813.53
<b>Total Loop &amp; Transport</b>	<u>1,465,949.85</u>
<b>Resale Circuits &amp; Services</b>	22,074.92
<b>UNE-P Connectivity</b>	91,226.69
<b>Usage COG</b>	
Long Distance & Features	110,702.24
MOU/Termination/CABS	57,338.09
<b>Total Usage COG</b>	<u>168,040.33</u>
<b>Total Customer COG</b>	1,748,828.91
<b>Network Costs</b>	
Wireless Tower Rent	30,510.87
Data Wholesale Charges	13,415.64
Inter-Office Circuits	168,304.09
Signaling Circuits/LD Trunks	38,970.28
Sprint Colocation Rental	90,211.60
<b>Total Network Costs</b>	<u>341,412.48</u>
<b>Non-Recurring COG</b>	
Fiber Install	12,275.00
Circuit Installation Charges	66,933.23
Colocation Augment Fee/Expenses	3,885.00
<b>Total Non-Recurring COG</b>	<u>83,093.23</u>
<b>Telephone &amp; Equipment</b>	
CPE	30,279.01
Other Equipment	399.71
Outsourced Contractor	558.00
Telephone Systems	21,845.31
<b>Total Telephone &amp; Equipment</b>	<u>53,082.03</u>
<b>Operating Expenses</b>	
<b>Engineering</b>	
<b>Salaries &amp; Benefits</b>	
Salaries- Bonus	1,000.00
Salaries- Base	302,241.19
Salaries- Overtime	4,689.88
Salaries- Health Insurance	16,805.16
Salaries-Ins Den/Vis/LT/ST/LIFE	1,628.46
Salaries- Payroll Taxes	25,039.32
<b>Total Salaries &amp; Benefits</b>	<u>351,404.01</u>

5:01 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Profit Loss**  
January through December 2016

	<u>2016 TOTAL</u>
<b>Office Expenses</b>	
Miscellaneous	1,643.15
Maintenance Contracts	101,037.36
Consulting	1,627.50
Contracted Labor	4,733.14
Licenses & Permits	55,419.93
Office Supplies	778.98
Postage, Freight and Delivery	3,285.69
Telephone	
Cellular phone	4,130.20
<b>Total Telephone</b>	<u>4,130.20</u>
Tools & Supplies	30,969.72
Office Expenses - Other	1,248.00
<b>Total Office Expenses</b>	<u>204,873.67</u>
<b>Travel &amp; Entertainment</b>	
Travel- Auto Rent/Tolls/Parking	5,540.53
Travel- Meals	431.53
Travel- Personal Mileage	1,221.79
<b>Total Travel &amp; Entertainment</b>	<u>7,193.85</u>
<b>Total Engineering</b>	<u>563,471.53</u>
<b>Total Operating Expenses</b>	<u>563,471.53</u>
<b>Total COGS</b>	<u>2,789,888.18</u>
<b>Gross Profit</b>	<u>2,429,289.10</u>
<b>Expense</b>	
<b>Selling Expenses</b>	
<b>Salaries &amp; Benefits - Sales</b>	
Base Salaries	112,655.63
Bonus	250.00
Commissions	18,266.90
Payroll Taxes-Sales	8,958.16
Health Insurance	3,821.15
Insurance- Den/Vis/LT/ST/Life	930.11
<b>Total Salaries &amp; Benefits - Sales</b>	<u>144,881.95</u>
<b>Advertising, S&amp;Mkting-Corp</b>	
Office Supplies	1,183.41
Training & Development	1,430.06
Agent Commissions	52,998.91
Direct Marketing	998.94
Event Sponsorship	30,919.96
Membership Dues	2,819.00
Out-Sourced Marketing	1,030.18
Print Ads	3,468.83
Printing and Reproduction	3,114.85
Trade Shows	2,629.00
Advertising, S&Mkting-Corp - Other	67.80
<b>Total Advertising, S&amp;Mkting-Corp</b>	<u>100,660.94</u>

5:01 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Profit Loss**  
January through December 2016  
**2016 TOTAL**

Telephone - Cell Phone	2,098.62
Travel & Entertainment	
Travel-AUTO	1,131.00
Meals	2,084.08
Mileage Reimbursement	916.06
Total Travel & Entertainment	<u>4,131.14</u>
Total Selling Expenses	251,772.65
Corporate G&A	
Salaries & Benefits	
Insurance- Den/Vis/LTD/STD/LIFE	2,115.81
Executive	371,608.52
Customer Care	172,917.28
Overtime	2,758.13
Bonus	28,750.00
Payroll Taxes	43,451.94
Insurance- Health	27,041.63
Workers Comp	6,235.07
Payroll Administration	2,295.00
Total Salaries & Benefits	<u>657,173.38</u>
Insurance - General	
Directors & Officers	7,101.69
Insurance- Property	10,659.35
Liability Insurance	14,983.74
Total Insurance - General	<u>32,744.78</u>
Office Rent	
2401 1st. Street	60,114.84
Interim Corporate Space	36,304.80
Other Rent	5,193.70
Total Office Rent	<u>101,613.34</u>
Office Expense	
Contracted Labor	100.00
Charitable Donations	10,665.78
Bank Service Charges	54,870.32
Equipment Rental	3,515.67
Fees	9,509.65
Licenses and Permits	6,007.46
Office Supplies	7,516.33
Postage, Freight and Delivery	743.33
Recruiting	731.03
Repairs and Maintenance	
Equipment Repairs/Maintenance	2,219.48
Janitorial Exp	4,558.94
Repairs and Maintenance - Other	1,744.42
Total Repairs and Maintenance	<u>8,522.84</u>
Utilities	
Electric	<u>44,277.75</u>

5:01 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Profit Loss**  
January through December 2016

	<u>2016 TOTAL</u>
Total Utilities	44,277.75
Office Expense - Other	5,827.61
<b>Total Office Expense</b>	<u>152,287.77</u>
<b>Professional Fees</b>	
Billing System Fees	37,175.73
Accounting	24,000.00
Answering Service	4,242.94
Board Meetings	100,000.00
Consulting	4,465.00
Legal Fees	120,000.00
<b>Total Professional Fees</b>	<u>289,883.67</u>
<b>Taxes</b>	
Corp Income Tax - State	20,610.00
Corp Income Tax - Federal	163,594.00
Local	255.05
Property	21,600.00
State Sales/Use	5,859.96
Taxes - Other	201.72
<b>Total Taxes</b>	<u>212,120.73</u>
<b>Telephone</b>	
Cellular Phone	6,615.13
<b>Total Telephone</b>	<u>6,615.13</u>
<b>Travel &amp; Ent-Corp</b>	
Travel-Auto/Parking/Rentals	2,400.00
Travel-Hotel	752.61
<b>Meals &amp; Entertainment</b>	
Entertainment	12,150.60
Meals	4,810.26
<b>Total Meals &amp; Entertainment</b>	<u>16,960.86</u>
Mileage	631.45
<b>Total Travel &amp; Ent-Corp</b>	<u>20,744.92</u>
<b>Bad Debt</b>	240,658.00
<b>N.O.C. Expenses</b>	
Tools & Supplies	0.00
<b>Total N.O.C. Expenses</b>	<u>0.00</u>
Regulatory & NW Admin Fees	9,088.20
Relocation	3,200.00
Corporate G&A - Other	0.00
<b>Total Corporate G&amp;A</b>	<u>1,726,129.92</u>
<b>Total Expense</b>	<u>1,977,902.57</u>
<b>Net Ordinary Income</b>	451,386.53
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Interest Income	0.00
Other Income	7,959.45

5:01 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Profit Loss**  
January through December 2016  
2016 TOTAL

Total Other Income	7,959.45
Other Expense	
Gain/Loss on Sale of Assets	142,199.76
Interest Expense	
Lease Interest	3,286.86
Non-Cash	0.00
Notes Payable	13,708.36
Other	1,231.41
Total Interest Expense	18,226.63
Depreciation and Amortization	
Depreciation - Rental Phones	41,807.36
Software	12,058.17
Capital Leases	17,552.44
Depreciation-Fiber	4,896.96
Depreciation - Wireless	395.24
N/W Equipment	111,518.76
Customer Premise Equipment	45,416.19
Amortization	13,022.19
Office Equipment & Software	5,447.40
Furniture & Fixtures	10,842.10
Leasehold Improvements	11,352.72
Total Depreciation and Amortization	274,309.53
Total Other Expense	434,735.92
Net Other Income	-426,776.47
Net Income	<u>24,610.06</u>

5:04 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2016  
Dec 31, 16

**ASSETS**

**Current Assets**

**Checking/Savings**

INTRON - FL Gulf Bank 4,912.84

**Bank Accounts**

Encore - Merchant AMEX (2191) 53,942.28

Encore - Merchant V/MC (2183) 8,578.57

Encore - Operating (2175) -2,822.00

Finemark Operating 49,175.71

Southwest Capital Bank - Oper 628,891.04

Checking - T3 - FL Gulf Bk 89,942.47

Merchant Acct. - FL Gulf Bank 98,556.88

**Total Bank Accounts** 926,264.95

**Petty Cash** 4,271.54

**Total Checking/Savings** 935,449.33

**Accounts Receivable**

Accounts Receivable 232,497.89

**Total Accounts Receivable** 232,497.89

**Other Current Assets**

Due from ITVantage 0.00

OmniOSS A/R 440,215.91

Allowance for Bad Debt -395,605.62

Inventory for Resale 7,899.44

**Other Accounts Receivable**

Employee Advances 1,611.29

Other Accounts Receivable - Other 52,081.00

**Total Other Accounts Receivable** 53,692.29

**Pre-Paids**

Prepaid Expenses 41,487.01

Prepaid Insurance 12,298.91

**Total Pre-Paids** 53,785.92

**Total Other Current Assets** 159,987.94

**Total Current Assets** 1,327,935.16

**Fixed Assets**

**Fixed Assets**

Accum Deprec - Rental Phones -215,481.37

Rented Phones 274,415.35

Accum Deprec - Capital Leases -1,894,209.93

Accum Deprec - Wireless Equipm -234,852.13

Wireless Equipment 235,191.25

Network Equipment & Software 1,752,461.67

Capital Leases 1,952,832.28

Accum Deprec - N/W Equip & S/W -1,430,630.35

Software 94,116.25

Accum Deprec- Software -72,632.88

5:04 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2016  
Dec 31, 16

Customer Premise Equipment	449,205.18
Accum Deprac - CPE	-346,555.55
Office Equipment	100,167.15
Accum Deprac - Office Equip	-82,801.06
Furniture & Fixtures	114,811.75
Accum Deprac Furn/Fix	-66,526.73
Leasehold Improvements	188,159.53
Accum Deprac Leaseholds	-84,888.11
Fiber	100,448.26
Accumulated Deprac - Fiber	-83,655.97
<b>Total Fixed Assets</b>	<b>749,574.59</b>
<b>Total Fixed Assets</b>	<b>749,574.59</b>
<b>Other Assets</b>	
Investement in ITVantage	0.00
Stock Options Amortization	-355.67
Stock Options Award	2,689.00
Deferred Tax Asset	81,251.00
<b>Other Assets</b>	
Accumulated Amortization - Cust	-53,915.13
Loan Origination Fee	15,194.78
CLEC Development	13,362.75
Accumulated Amortization	-41,579.75
Deposits/Prepays	62,580.69
Intangible Assets - Caviar	189,056.74
<b>Total Other Assets</b>	<b>184,700.08</b>
<b>Total Other Assets</b>	<b>268,284.41</b>
<b>TOTAL ASSETS</b>	<b>2,345,794.16</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	474,465.63
<b>Total Accounts Payable</b>	<b>474,465.63</b>
<b>Credit Cards</b>	
AMEX - GM	15,367.09
<b>Total Credit Cards</b>	<b>15,367.09</b>
<b>Other Current Liabilities</b>	
Promissory Notes - Short Term	0.00
Deferred Liability - Stock Opti	3,000.01
Un-earned Income-Cust PrePmts	91,044.84
United Way Contributions	-1,764.00
<b>Accrued Expenses</b>	
Accrued Commissions	1,234.12
Accrued PTO and Incentives	13,438.59



5:04 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(a)**  
**T3 Communications, Inc.**  
**Balance Sheet**

As of December 31, 2016  
Dec 31, 16

Accrued Accounting Fees	14,733.50
Accrued Payroll	0.00
Accrued Legal Fees	13,560.05
Accrued Other	-19,000.00
Accrued Property Taxes	-2,629.28
<b>Total Accrued Expenses</b>	<b>21,336.98</b>
Capital Lease Current Portion	24,213.72
Other Accounts Payable	
Regulatory Fees, Taxes Payable	
FCC Regulatory Fee	-5,577.15
Statutory Gross Receipts	-20.79
Excise Tax	807.66
Sales Tax Payable	238.53
E911 Surcharge	0.01
Florida TASA Payable	20.79
Federal USF Payable	8,623.94
<b>Total Regulatory Fees, Taxes Payable</b>	<b>4,092.99</b>
Other Accounts Payable - Other	513.40
<b>Total Other Accounts Payable</b>	<b>4,606.39</b>
Un-earned Income	132,050.72
<b>Total Other Current Liabilities</b>	<b>274,488.66</b>
<b>Total Current Liabilities</b>	<b>764,321.38</b>
Long Term Liabilities	
Deferred Tax Liability	240,897.00
Promissory Note	0.00
Capital Lease-LT	
Capital Lease- Interest Amort.	-1,849.51
Capital Lease-Gross	9,880.22
<b>Total Capital Lease-LT</b>	<b>8,030.71</b>
<b>Total Long Term Liabilities</b>	<b>248,927.71</b>
<b>Total Liabilities</b>	<b>1,013,249.09</b>
Equity	
Common Stock	5,275.57
Additional Paid-in-Capital	3,781,902.21
Retained Earnings	-2,479,242.77
Net Income	24,610.06
<b>Total Equity</b>	<b>1,332,545.07</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,345,794.16</b>

Schedule 3.6(a)  
T3 Communications, Inc.  
**Cash Flow Statement**  
January through December 2016  
Preliminary Draft - Subject to Adjustment

	Dec 31, 16
<b>OPERATING ACTIVITIES</b>	
Net Income	-255,793.03
Adjustments to reconcile Net Income to net cash provided by operations:	
Other Accounts Receivable:Employee Advances	583.88
Due from ITVantage	-129,100.16
Fixed Assets:Accum Deprec - NW Equip & S/W	9,071.30
Fixed Assets:Accum Deprec Furn/Fix	1,281.76
Fixed Assets:Accum Deprec Leaseholds	946.06
Fixed Assets:Accum Deprec- Software	1,039.83
Accounts Payable	228,665.64
Promissory Notes - Short Term	470,000.00
Un-earned Income-Cust PrePmts	-12,053.32
United Way Contributions	-726.00
Accrued Expenses:Accrued Commissions	1,234.12
Accrued Expenses:Accrued PTO and Incentives	-13,875.99
Other Accounts Payable:Regulatory Fees, Taxes Payable:FCC Regulatory Fee	-2,287.09
Other Accounts Payable:Regulatory Fees, Taxes Payable:Excise Tax	97.94
<b>Net cash provided by Operating Activities</b>	<b>299,084.94</b>
<b>INVESTING ACTIVITIES</b>	
Fixed Assets:Accum Deprec - Rental Phones	3,445.43
Fixed Assets:Rented Phones	-2,768.34
Fixed Assets:Accum Deprec - Capital Leases	1,098.76
Other Assets:Accumulated Amortization	399.25
Investment in ITVantage	335,850.22
<b>Net cash provided by Investing Activities</b>	<b>338,025.32</b>
<b>FINANCING ACTIVITIES</b>	
Capital Lease-LT:Capital Lease- Interest Amort.	213.37
Promissory Note	-470,000.00
<b>Net cash provided by Financing Activities</b>	<b>-469,786.63</b>
<b>Net cash increase for period</b>	<b>167,323.63</b>
<b>Cash at beginning of period</b>	<b>904,840.47</b>
<b>Cash at end of period</b>	<b>1,072,164.10</b>

5:36 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through March 2017  
**TOTAL**

Ordinary Income/Expense	
Income	
Broadband	
Fiber	351,184.87
Integrated Voice & Data	132,859.88
PRI	89,036.59
Data-Only	10,149.60
XDSL	18,860.46
ADSL	0.00
Wireless RC	27,212.00
ISP Services - NeoTech	405.00
Other Products & Services	44,695.13
HSE	150.00
Network Access Fees	27,096.33
XDSL Circuits	
XDSL - IAD	0.00
Total XDSL Circuits	0.00
WiMax	
Wireless PTP	0.00
Total WiMax	0.00
Total Broadband	701,649.86
Hosted PBX	
Meta - Hosted PBX	178,664.70
Hosted PBX - Transport	113,449.16
Meta - Rental	39,413.42
Total Hosted PBX	331,527.28
Long Distance & Usage	54,689.75
Colocation	44,549.69
TDM Voice	28,827.51
CABS Billing	49,252.31
Other Revenue	
Meta - Hosted Install	16,553.33
Wireless NRC	0.00
Circuit Installation	8,766.90
Telephone & Equipment	
Telephone Systems	4,448.83
T1 - IAD	0.00
Total Telephone & Equipment	4,448.83
Billable Labor	13,866.67
Other NRC	3,660.27
Early Termination Penalty	49,463.65
Total Other Revenue	96,759.65
Total Income	1,307,256.05
Cost of Goods Sold	
Customer COG	

5:36 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through March 2017

	<u>TOTAL</u>
Loop & Trans	0.00
HSE	134.28
Loop & Transport	
Voice Gateway	28,885.96
Fiber	173,783.65
Wireless Transport	3,000.00
High Capacity Loops- T1/PRI	143,952.30
SHDSL Loops	4,889.25
Transport	29,174.15
Off-Net Circuits	2,518.17
Total Loop & Transport	386,203.48
Resale Circuits & Services	6,883.70
UNE-P Connectivity	21,848.22
Usage COG	
Long Distance & Features	31,156.46
MOU/Termination/CABS	14,908.94
Total Usage COG	46,065.40
Total Customer COG	461,135.08
Network Costs	
Wireless Tower Rent	6,927.30
Data Wholesale Charges	3,363.60
Inter-Office Circuits	40,994.25
Signaling Circuits/LD Trunks	9,370.71
Sprint Colocation Rental	22,723.10
Total Network Costs	83,378.96
Non-Recurring COG	
Fiber Install	5,400.00
Circuit Installation Charges	8,261.01
Colocation Augment Fee/Expenses	48.47
Total Non-Recurring COG	13,709.48
Telephone & Equipment	
CPE	15,026.08
Telephone Systems	8,939.43
Total Telephone & Equipment	23,965.51
Operating Expenses	
Engineering	
Salaries & Benefits	
Salaries- Bonus	1,000.00
Salaries- Base	74,618.52
Salaries- Overtime	912.41
Salaries- Health Insurance	5,008.73
Salaries-Ins Den/Mis/LT/ST/LIFE	-86.48
Salaries- Payroll Taxes	6,959.33
Total Salaries & Benefits	88,412.51

5:36 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through March 2017

	<u>TOTAL</u>
<b>Office Expenses</b>	
Miscellaneous	422.59
Maintenance Contracts	29,790.98
Consulting	37.50
Licenses & Permits	43,145.25
Postage, Freight and Delivery	778.68
Telephone	
Cellular phone	1,149.64
<b>Total Telephone</b>	<u>1,149.64</u>
Tools & Supplies	7,949.87
<b>Total Office Expenses</b>	<u>83,274.51</u>
<b>Travel &amp; Entertainment</b>	
Travel- Auto Rent/Tolls/Parking	1,184.72
Travel- Meals	37.66
Travel- Personal Mileage	535.85
<b>Total Travel &amp; Entertainment</b>	<u>1,758.23</u>
<b>Total Engineering</b>	<u>173,445.25</u>
<b>Total Operating Expenses</b>	<u>173,445.25</u>
<b>Total COGS</b>	<u>755,634.28</u>
<b>Gross Profit</b>	551,621.77
<b>Expense</b>	
<b>Selling Expenses</b>	
<b>Salaries &amp; Benefits - Sales</b>	
Base Salaries	26,988.82
Commissions	3,535.95
Payroll Taxes-Sales	2,355.46
Health Insurance	885.21
Insurance- Den/Vis/LT/ST/Life	239.42
<b>Total Salaries &amp; Benefits - Sales</b>	<u>34,004.86</u>
<b>Advertising, S&amp;Mkting-Corp</b>	
Training & Development	408.06
Agent Commissions	10,443.49
Direct Marketing	224.99
Event Sponsorship	7,715.79
Print Ads	750.00
Printing and Reproduction	1,183.01
Trade Shows	345.00
Advertising, S&Mkting-Corp - Other	81.60
<b>Total Advertising, S&amp;Mkting-Corp</b>	<u>21,151.94</u>
Telephone - Cell Phone	493.89
<b>Travel &amp; Entertainment</b>	
Travel-AUTO	463.44
Meals	442.28
Mileage Reimbursement	108.00

5:36 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through March 2017

	<u>TOTAL</u>
Total Travel & Entertainment	1,013.72
Total Selling Expenses	56,664.41
Corporate G&A	
Salaries & Benefits	
Insurance- Den/Vis/LTD/STD/LIFE	-173.08
Executive	96,885.86
Customer Care	42,854.05
Overtime	693.72
Payroll Taxes	728.02
Insurance- Health	7,605.94
Workers Comp	2,092.96
Payroll Administration	564.60
Total Salaries & Benefits	151,252.07
Insurance - General	
Directors & Officers	1,238.40
Insurance- Property	3,297.18
Liability Insurance	5,115.37
Total Insurance - General	9,650.95
Office Rent	
2401 1st. Street	18,662.64
Interim Corporate Space	9,076.20
Other Rent	1,829.56
Total Office Rent	29,568.40
Office Expense	
Bank Service Charges	12,342.99
Equipment Rental	1,253.90
Fees	9,238.35
Licenses and Permits	657.06
Office Supplies	1,320.67
Postage, Freight and Delivery	273.94
Repairs and Maintenance	
Equipment Repairs/Maintenance	599.25
Janitorial Exp	929.96
Total Repairs and Maintenance	1,529.21
Utilities	
Electric	12,578.71
Total Utilities	12,578.71
Office Expense - Other	0.00
Total Office Expense	39,194.83
Professional Fees	
Billing System Fees	9,066.84
Accounting	3,000.00
Answering Service	1,172.62
Total Professional Fees	13,239.46

5:36 PM  
05/02/17  
Accrual Basis

Schedule 3.6(b)  
T3 Communications, Inc.  
Profit & Loss  
January through March 2017

	<u>TOTAL</u>
<b>Taxes</b>	
Corp Income Tax - State	3,654.24
Corp Income Tax - Federal	29,476.07
Property	5,400.00
State Sales/Use	1,464.58
Taxes - Other	72.00
<b>Total Taxes</b>	<u>40,066.89</u>
<b>Telephone</b>	
Cellular Phone	1,545.88
<b>Total Telephone</b>	<u>1,545.88</u>
<b>Travel &amp; Ent-Corp</b>	
Travel-Auto/Parking/Rentals	600.00
<b>Meals &amp; Entertainment</b>	
Meals	1,221.35
<b>Total Meals &amp; Entertainment</b>	<u>1,221.35</u>
Mileage	<u>-62.92</u>
<b>Total Travel &amp; Ent-Corp</b>	<u>1,758.43</u>
<b>Bad Debt</b>	45,165.00
<b>N.O.C. Expenses</b>	
Tools & Supplies	0.00
<b>Total N.O.C. Expenses</b>	<u>0.00</u>
Regulatory & N/W Admin Fees	3,310.67
Relocation	2,520.00
<b>Total Corporate G&amp;A</b>	<u>337,272.58</u>
<b>Total Expense</b>	<u>393,936.99</u>
<b>Net Ordinary Income</b>	157,684.78
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Interest Income	0.00
Other Income	2,512.72
<b>Total Other Income</b>	<u>2,512.72</u>
<b>Other Expense</b>	
Non Cash Based Compensation	-666.68
Gain/Loss on Sale of Assets	-60,345.08
<b>Interest Expense</b>	
Lease Interest	571.99
Non-Cash	0.00
Other	580.97
<b>Total Interest Expense</b>	<u>1,152.96</u>
<b>Depreciation and Amortization</b>	
Depreciation - Rental Phones	10,693.83
Software	2,444.49
Capital Leases	3,296.28
Depreciation-Fiber	1,224.24

5:36 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through March 2017

	<u>TOTAL</u>
Depreciation - Wireless	339.12
N/W Equipment	25,145.52
Customer Premise Equipment	11,658.83
Amortization	3,005.10
Office Equipment & Software	1,361.85
Furniture & Fixtures	2,331.75
Leasehold Improvements	<u>2,838.18</u>
Total Depreciation and Amortization	<u>64,339.19</u>
Total Other Expense	<u>4,480.39</u>
Net Other Income	<u>-1,967.67</u>
Net Income	<u><u>155,717.11</u></u>



5:33 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of March 31, 2017  
Mar 31, 17

**ASSETS**

**Current Assets**

**Checking/Savings**

INTRON - FL Gulf Bank 3,773.50

**Bank Accounts**

Encore - Merchant AMEX (2191) 66,026.12

Encore - Merchant V/MC (2183) 114,915.77

Encore - Operating (2175) 305,584.52

Finemark Operating 56,843.20

Southwest Capital Bank - Oper 535,130.31

Checking - T3 - FL Gulf Bk 54,942.47

Merchant Acct. - FL Gulf Bank 93,556.88

**Total Bank Accounts** 1,226,999.27

**Petty Cash** 4,033.46

**Total Checking/Savings** 1,234,806.23

**Accounts Receivable**

**Accounts Receivable** 253,727.56

**Total Accounts Receivable** 253,727.56

**Other Current Assets**

Due from ITVantage 0.00

OmniOSS A/R 463,432.62

Allowance for Bad Debt -430,316.30

Inventory for Resale 7,899.44

**Other Accounts Receivable**

Employee Advances 634.28

Other Accounts Receivable - Other 10,863.00

**Total Other Accounts Receivable** 11,497.28

**Pre-Paids**

Prepaid Expenses 17,596.40

Prepaid Insurance 0.00

**Total Pre-Paids** 17,596.40

**Total Other Current Assets** 70,109.44

**Total Current Assets** 1,558,643.23

**Fixed Assets**

**Fixed Assets**

Accum Deprec - Rental Phones -226,175.20

Rented Phones 291,047.21

Accum Deprec - Capital Leases -1,897,506.21

Accum Deprec - Wireless Equipm -235,191.25

Wireless Equipment 235,191.25

Network Equipment & Software 1,752,461.67

Capital Leases 1,952,832.28

Accum Deprec - N/W Equip & SW -1,455,775.87

Software 94,116.25

Accum Deprec- Software -75,077.37

Customer Premise Equipment 458,655.18

5:33 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of March 31, 2017  
Mar 31, 17

Accum Deprec - CPE	-358,214.38
Office Equipment	100,167.15
Accum Deprec - Office Equip	-84,162.91
Furniture & Fixtures	114,811.75
Accum Deprec Furn/Fix	-68,858.48
Leasehold Improvements	188,159.53
Accum Deprec Leaseholds	-87,726.29
Fiber	100,448.26
Accumulated Deprec - Fiber	-84,880.21
<b>Total Fixed Assets</b>	<b>714,322.36</b>
<b>Total Fixed Assets</b>	<b>714,322.36</b>
<b>Other Assets</b>	
Investment in ITVantage	0.00
Stock Options Amortization	0.00
Stock Options Award	0.00
Deferred Tax Asset	81,251.00
<b>Other Assets</b>	
Accumulated Amortization - Cust	-53,915.13
Loan Origination Fee	15,194.78
CLEC Development	13,362.75
Accumulated Amortization	-44,584.85
Deposits/Prepays	59,098.69
Intangible Assets - Caviar	189,056.74
<b>Total Other Assets</b>	<b>178,212.98</b>
<b>Total Other Assets</b>	<b>259,463.98</b>
<b>TOTAL ASSETS</b>	<b>2,532,429.57</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	426,562.93
<b>Total Accounts Payable</b>	<b>426,562.93</b>
<b>Credit Cards</b>	
AMEX - GM	15,367.09
<b>Total Credit Cards</b>	<b>15,367.09</b>
<b>Other Current Liabilities</b>	
Deferred Liability - Stock Opti	0.00
Un-earned Income-Cust PrePmts	72,934.88
United Way Contributions	-2,538.00
<b>Accrued Expenses</b>	
Accrued Commissions	2,251.30
Accrued PTO and Incentives	15,273.50
Accrued Accounting Fees	17,733.50
Accrued Payroll	18,746.00
Accrued Legal Fees	11,273.30

5:33 PM  
05/02/17  
Accrual Basis

**Schedule 3.6(b)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of March 31, 2017  
Mar 31, 17

Accrued Other	-15,346.00
Accrued Property Taxes	2,770.72
<b>Total Accrued Expenses</b>	<b>52,702.32</b>
Capital Lease Current Portion	24,213.72
Other Accounts Payable	
Regulatory Fees, Taxes Payable	
FCC Regulatory Fee	-4,696.48
Statutory Gross Receipts	-20.79
Excise Tax	709.71
Sales Tax Payable	238.53
E911 Surcharge	1.04
Florida TASA Payable	20.79
Federal USF Payable	9,422.51
<b>Total Regulatory Fees, Taxes Payable</b>	<b>5,675.31</b>
Other Accounts Payable - Other	513.40
<b>Total Other Accounts Payable</b>	<b>6,188.71</b>
Un-earned Income	135,289.47
<b>Total Other Current Liabilities</b>	<b>288,791.10</b>
<b>Total Current Liabilities</b>	<b>730,721.12</b>
Long Term Liabilities	
Deferred Tax Liability	240,897.00
Capital Lease-LT	
Capital Lease- Interest Amort.	-1,277.52
Capital Lease-Gross	3,826.79
<b>Total Capital Lease-LT</b>	<b>2,549.27</b>
<b>Total Long Term Liabilities</b>	<b>243,446.27</b>
<b>Total Liabilities</b>	<b>974,167.39</b>
Equity	
Common Stock	5,475.57
Additional Paid-in-Capital	3,851,702.21
Retained Earnings	-2,454,632.71
Net Income	155,717.11
<b>Total Equity</b>	<b>1,558,262.18</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,532,429.57</b>

Schedule 3.6(b)  
T3 Communications, Inc.  
**Cash Flow Statement**  
For the Period January through March 2017  
Preliminary Draft - Subject to Adjustment

	Mar 31, 17
<b>OPERATING ACTIVITIES</b>	
Net Income	189,055.22
Adjustments to reconcile Net Income to net cash provided by operations:	
Due from ITVantage	6,542.16
Fixed Assets:Accum Deprec - N/W Equip & S/W	8,381.84
Fixed Assets:Accum Deprec Furn/Fix	777.25
Fixed Assets:Accum Deprec Leaseholds	946.06
Fixed Assets:Accum Deprec- Software	814.83
Accounts Payable	52,582.68
Accrued Expenses:Accrued Payroll	18,746.00
Deferred Liability - Stock Opti	-3,000.01
Un-earned Income-Cust PrePmts	-12,952.72
United Way Contributions	-1,372.00
Accrued Expenses:Accrued Commissions	1,017.18
Other Accounts Payable:Regulatory Fees, Taxes Payable:FCC Regulatory Fee	292.88
Other Accounts Payable:Regulatory Fees, Taxes Payable:Excise Tax	95.88
<b>Net cash provided by Operating Activities</b>	<b>261,927.25</b>
<b>INVESTING ACTIVITIES</b>	
Fixed Assets:Accum Deprec - Rental Phones	3,606.31
Fixed Assets:Rented Phones	-2,634.11
Fixed Assets:Accum Deprec - Capital Leases	1,098.76
Other Assets:Accumulated Amortization	1,001.70
Stock Options Amortization	-355.67
Stock Options Award	2,689.00
<b>Net cash provided by Investing Activities</b>	<b>5,405.99</b>
<b>FINANCING ACTIVITIES</b>	
Capital Lease-LT:Capital Lease- Interest Amort.	179.24
<b>Net cash provided by Financing Activities</b>	<b>179.24</b>
<b>Net cash increase for period</b>	<b>267,512.48</b>
Cash at beginning of period	1,223,555.03
<b>Cash at end of period</b>	<b>1,491,067.51</b>

10:51 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2015  
**TOTAL**

Ordinary Income/Expense	<u>TOTAL</u>
<b>Income</b>	
<b>Broadband</b>	
Fiber	1,184,482.66
Integrated Voice & Data	706,127.88
PRI	366,380.89
Data-Only	68,510.93
XDSL	138,181.20
ADSL	0.00
Wireless RC	207,737.45
ISP Services - NeoTech	2,807.11
Other Products & Services	116,616.74
HSE	600.00
Network Access Fees	101,664.66
XDSL Circuits	
XDSL - IAD	0.00
Total XDSL Circuits	<u>0.00</u>
WiMax	
Wireless PTP	0.00
Total WiMax	<u>0.00</u>
Total Broadband	2,893,109.52
<b>Hosted PBX</b>	
Meta - Hosted PBX	686,282.73
Hosted PBX - Transport	483,839.23
Meta - Rental	141,132.96
Total Hosted PBX	<u>1,311,254.92</u>
Long Distance & Usage	311,580.13
Colocation	259,890.14
TDM Voice	144,573.13
CABS Billing	204,709.91
<b>Other Revenue</b>	
Meta - Hosted Install	72,160.57
Wireless NRC	0.00
Circuit Installation	30,482.17
Telephone & Equipment	
Telephone Systems	10,577.62
T1 - IAD	0.00
Other Equipment	13,055.07
Total Telephone & Equipment	<u>23,632.69</u>
Billable Labor	38,982.85
Other NRC	15,650.40
Early Termination Penalty	126,133.97
Total Other Revenue	<u>307,042.65</u>
Total Income	5,432,160.40
Cost of Goods Sold	

10:51 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2015

	<u>TOTAL</u>
<b>Customer COG</b>	
Loop & Trans	5,844.13
HSE	537.12
<b>Loop &amp; Transport</b>	
Voice Gateway	135,772.66
Fiber	632,493.13
Wireless Transport	12,410.00
High Capacity Loops- T1/PRI	514,050.05
SHDSL Loops	26,887.76
Transport	144,932.30
Off-Net Circuits	34,906.52
Loop & Transport - Other	1,285.06
<b>Total Loop &amp; Transport</b>	<u>1,502,737.48</u>
Resale Circuits & Services	19,504.77
UNE-P Connectivity	102,555.21
<b>Usage COG</b>	
Long Distance & Features	166,938.86
MOU/Termination/CABS	58,706.49
<b>Total Usage COG</b>	<u>225,645.35</u>
<b>Total Customer COG</b>	1,856,824.06
<b>Network Costs</b>	
WH Colocation	16,070.00
Wireless Tower Rent	47,657.94
Data Wholesale Charges	13,580.65
Inter-Office Circuits	228,622.29
Signaling Circuits/LD Trunks	47,637.88
Sprint Colocation Rental	77,413.09
<b>Total Network Costs</b>	<u>430,981.85</u>
<b>Non-Recurring COG</b>	
Fiber Install	1,700.00
Circuit Installation Charges	19,443.69
Colocation Augment Fee/Expenses	1,771.05
<b>Total Non-Recurring COG</b>	<u>22,914.74</u>
<b>Telephone &amp; Equipment</b>	
CPE	18,752.51
Telephone Systems	27,777.82
<b>Total Telephone &amp; Equipment</b>	<u>46,530.33</u>
<b>Operating Expenses</b>	
<b>Engineering</b>	
<b>Salaries &amp; Benefits</b>	
Salaries- Bonus	2,250.00
Salaries- Base	346,660.35
Salaries- Overtime	5,812.97
Salaries- Health Insurance	21,264.40

10:51 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2015

	<u>TOTAL</u>
Salaries-Ins Den/Vis/LT/ST/LIFE	2,472.46
Salaries- Payroll Taxes	28,592.69
<b>Total Salaries &amp; Benefits</b>	<b>407,052.87</b>
<b>Office Expenses</b>	
Training	1,100.00
Miscellaneous	371.42
Maintenance Contracts	87,672.07
Consulting	1,137.50
Contracted Labor	575.00
Licenses & Permits	63,756.48
Office Supplies	3,314.89
Postage, Freight and Delivery	7,014.38
Telephone	
Cellular phone	4,021.31
Total Telephone	4,021.31
Tools & Supplies	49,766.61
Office Expenses - Other	352.00
<b>Total Office Expenses</b>	<b>219,081.66</b>
<b>Travel &amp; Entertainment</b>	
Travel- Auto Rent/Tolls/Parking	8,924.54
Travel- Airfare	50.00
Travel- Hotels	1,207.71
Travel- Meals	781.51
Travel- Personal Mileage	1,488.32
<b>Total Travel &amp; Entertainment</b>	<b>12,452.08</b>
<b>Total Engineering</b>	<b>638,586.61</b>
<b>Total Operating Expenses</b>	<b>638,586.61</b>
<b>Total COGS</b>	<b>2,995,837.59</b>
<b>Gross Profit</b>	<b>2,436,322.81</b>
<b>Expense</b>	
<b>Selling Expenses</b>	
<b>Salaries &amp; Benefits - Sales</b>	
Base Salaries	88,046.78
Bonus	500.00
Commissions	23,640.52
Payroll Taxes-Sales	7,054.80
Health Insurance	3,737.53
Insurance- Den/Vis/LT/ST/Life	1,128.03
<b>Total Salaries &amp; Benefits - Sales</b>	<b>124,107.66</b>
<b>Advertising, S&amp;Mkting-Corp</b>	
Office Supplies	1,976.74
Training & Development	49.17
Agent Commissions	50,130.07
Contributions	2,459.00

10:51 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2015

	<u>TOTAL</u>
Direct Marketing	6,122.00
Event Sponsorship	23,925.01
Membership Dues	399.00
Print Ads	3,164.96
Printing and Reproduction	9,003.22
<b>Total Advertising, S&amp;Mktng-Corp</b>	<b>97,229.17</b>
Telephone - Cell Phone	1,253.91
Travel & Entertainment	
Travel-AUTO	1,077.00
Meals	4,787.44
<b>Total Travel &amp; Entertainment</b>	<b>5,864.44</b>
<b>Total Selling Expenses</b>	<b>228,455.18</b>
<b>Corporate G&amp;A</b>	
<b>Salaries &amp; Benefits</b>	
Insurance- Den/Vis/LTD/STD/LIFE	3,738.17
Executive	366,787.07
Customer Care	179,149.93
Overtime	2,290.41
Bonus	37,500.00
Payroll Taxes	45,113.41
Insurance- Health	27,355.13
Workers Comp	7,515.25
Payroll Administration	1,707.50
<b>Total Salaries &amp; Benefits</b>	<b>671,156.87</b>
<b>Insurance - General</b>	
Directors & Officers	6,983.64
Insurance- Property	11,153.08
Liability Insurance	14,904.08
<b>Total Insurance - General</b>	<b>33,040.80</b>
<b>Office Rent</b>	
2401 1st. Street	60,114.84
Interim Corporate Space	47,694.61
Other Rent	1,153.87
Office Rent - Other	1,365.00
<b>Total Office Rent</b>	<b>110,328.32</b>
<b>Office Expense</b>	
Charitable Donations	9,075.00
Bank Service Charges	47,258.37
Equipment Rental	3,995.64
Fees	13,213.21
Licenses and Permits	1,954.37
Office Supplies	7,805.63
Postage, Freight and Delivery	2,740.11
Recruiting	479.40



10:51 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2015

	<u>TOTAL</u>
<b>Repairs and Maintenance</b>	
Equipment Repairs/Maintenance	4,025.12
Janitorial Exp	3,377.88
Repairs and Maintenance - Other	0.00
<b>Total Repairs and Maintenance</b>	<u>7,403.00</u>
<b>Utilities</b>	
Electric	56,365.00
Utilities - Other	480.14
<b>Total Utilities</b>	<u>56,845.14</u>
Office Expense - Other	620.16
<b>Total Office Expense</b>	<u>151,390.03</u>
<b>Professional Fees</b>	
Collections Fees	0.00
Billing System Fees	31,734.28
Accounting	24,000.00
Answering Service	4,782.60
Consulting	5,408.37
Lease Admin fees	300.00
Legal Fees	64,261.62
<b>Total Professional Fees</b>	<u>130,486.87</u>
<b>Taxes</b>	
Corp Income Tax - State	17,660.00
Corp Income Tax - Federal	0.00
Local	215.10
Property	17,713.88
State Sales/Use	8,261.95
Taxes - Other	234.62
<b>Total Taxes</b>	<u>44,085.55</u>
<b>Telephone</b>	
Cellular Phone	6,831.11
<b>Total Telephone</b>	<u>6,831.11</u>
<b>Travel &amp; Ent-Corp</b>	
Travel- Airfare	368.09
Travel-Auto/Parking/Rentals	2,704.31
Travel-Hotel	983.53
<b>Meals &amp; Entertainment</b>	
Entertainment	13,445.43
Meals	11,443.85
<b>Total Meals &amp; Entertainment</b>	<u>24,889.28</u>
<b>Mileage</b>	<u>1,228.49</u>
<b>Total Travel &amp; Ent-Corp</b>	<u>30,173.70</u>
<b>Bad Debt</b>	200,105.09
<b>N.O.C. Expenses</b>	
Tools & Supplies	<u>0.00</u>

10:51 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2015

	<u>TOTAL</u>
Total N.O.C. Expenses	0.00
Regulatory & N/W Admin Fees	9,319.82
Training & Development	
Other Training	79.00
Total Training & Development	79.00
Corporate G&A - Other	0.00
Total Corporate G&A	<u>1,386,997.16</u>
Total Expense	<u>1,615,452.34</u>
Net Ordinary Income	820,870.47
Other Income/Expense	
Other Income	
Provision for Income Tax Benefi	-245,991.00
Income from Subsidiary	143,680.05
Interest Income	0.00
Other Income	7,749.19
Total Other Income	<u>-94,561.76</u>
Other Expense	
Non Cash Based Compensation	-766.66
Interest Expense	
Lease Interest	2,654.76
Non-Cash	0.01
Notes Payable	38,278.93
Other	2,158.88
Total Interest Expense	<u>43,092.58</u>
Depreciation and Amortization	
Depreciation - Rental Phones	51,332.93
Software	7,693.22
Capital Leases	41,192.51
Depreciation-Fiber	4,820.97
Depreciation - Wireless	3,389.61
N/W Equipment	71,271.85
Customer Premise Equipment	53,191.21
Amortization	12,603.78
Office Equipment & Software	4,799.30
Furniture & Fixtures	4,990.56
Leasehold Improvements	11,866.72
Total Depreciation and Amortization	<u>267,152.66</u>
Total Other Expense	<u>309,478.58</u>
Net Other Income	-404,040.34
Net Income	<u><u>416,830.13</u></u>

11:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2015  
Dec 31, 15

**ASSETS**

**Current Assets**

**Checking/Savings**

INTRON - FL Gulf Bank 6,733.81

**Bank Accounts**

Encore - Merchant AMEX (2191) 18,040.83

Encore - Merchant V/MC (2183) 10,567.52

Encore - Operating (2175) 189,545.72

Finemark Operating 28,364.32

Southwest Capital Bank - Oper 401,118.70

Checking - T3 - FL Gulf Bk 54,942.47

Merchant Acct. - FL Gulf Bank 133,556.88

**Total Bank Accounts** 836,136.44

**Petty Cash** 3,407.29

**Total Checking/Savings** 846,277.54

**Accounts Receivable**

Accounts Receivable 26,265.52

**Total Accounts Receivable** 26,265.52

**Other Current Assets**

Due From ITVantage -127,357.44

OmniOSS A/R 529,265.90

Allowance for Bad Debt -189,490.66

Inventory for Resale 7,899.44

**Other Accounts Receivable**

Employee Advances 897.23

Other Accounts Receivable - Other 52,081.00

**Total Other Accounts Receivable** 52,978.23

**Pre-Paids**

Prepaid Expenses 35,076.41

Prepaid Insurance 9,382.89

**Total Pre-Paids** 44,459.30

**Total Other Current Assets** 317,754.77

**Total Current Assets** 1,190,297.83

**Fixed Assets**

**Fixed Assets**

Accum Deprec - Rental Phones -173,674.01

Rented Phones 236,466.97

Accum Deprec - Capital Leases -1,876,657.49

Accum Deprec - Wireless Equipm -234,456.89

Wireless Equipment 235,191.25

Network Equipment & Software 1,715,982.41

Capital Leases 1,952,832.28

Accum Deprec - N/W Equip & S/W -1,319,111.59

Software 85,720.25

Accum Deprec- Software -60,574.71

11:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2015  
Dec 31, 15

Customer Premise Equipment	422,197.68
Accum Deprec - CPE	-301,139.36
Office Equipment	100,167.15
Accum Deprec - Office Equip	-77,353.66
Furniture & Fixtures	62,763.88
Accum Deprec Furn/Fix	-55,684.63
Leasehold Improvements	188,159.53
Accum Deprec Leaseholds	-73,535.39
Fiber	100,448.26
Accumulated Deprec - Fiber	-78,759.01
<b>Total Fixed Assets</b>	<b>848,982.92</b>
<b>Total Fixed Assets</b>	<b>848,982.92</b>
<b>Other Assets</b>	
Investment in ITVantage	485,850.22
Stock Options Amortization	-355.67
Stock Options Award	2,689.00
Deferred Tax Asset	81,251.00
<b>Other Assets</b>	
Accumulated Amortization - Cust	-53,915.13
Loan Origination Fee	7,597.39
CLEC Development	13,362.75
Accumulated Amortization	-20,960.17
Deposits/Prepays	62,528.98
Intangible Assets - Cavalr	189,056.74
<b>Total Other Assets</b>	<b>197,670.56</b>
<b>Total Other Assets</b>	<b>767,105.11</b>
<b>TOTAL ASSETS</b>	<b>2,806,385.86</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	607,893.70
<b>Total Accounts Payable</b>	<b>607,893.70</b>
Credit Cards	
AMEX - GM	24,312.34
<b>Total Credit Cards</b>	<b>24,312.34</b>
<b>Other Current Liabilities</b>	
Promissory Notes - Short Term	-168,609.07
Deferred Liability - Stock Opti	3,000.01
Un-earned Income-Cust PrePmts	46,620.00
United Way Contributions	0.00
<b>Accrued Expenses</b>	
Accrued Commissions	5,995.01
Accrued PTO and Incentives	10,768.69

11:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**

**Balance Sheet**  
As of December 31, 2015  
Dec 31, 15

Accrued Accounting Fees	12,083.50
Accrued Payroll	60,357.25
Accrued Legal Fees	0.00
Accrued Other	0.00
Accrued Property Taxes	0.00
<b>Total Accrued Expenses</b>	<b>89,204.45</b>
Capital Lease Current Portion	24,213.72
Notes Payable - Short Term	0.00
Other Accounts Payable	
Regulatory Fees, Taxes Payable	
FCC Regulatory Fee	-2,407.34
Excise Tax	639.25
Sales Tax Payable	238.53
Florida TASA Payable	0.00
Federal USF Payable	-14,179.08
<b>Total Regulatory Fees, Taxes Payable</b>	<b>-15,708.64</b>
Other Accounts Payable - Other	8,128.69
<b>Total Other Accounts Payable</b>	<b>-7,579.95</b>
Un-earned Income	139,541.08
<b>Total Other Current Liabilities</b>	<b>126,390.24</b>
<b>Total Current Liabilities</b>	<b>758,596.28</b>
Long Term Liabilities	
Deferred Tax Liability	240,897.00
Promissory Note	470,000.00
Capital Lease-LT	
Capital Lease- Interest Amort.	-5,136.37
Capital Lease-Gross	34,093.94
<b>Total Capital Lease-LT</b>	<b>28,957.57</b>
<b>Total Long Term Liabilities</b>	<b>739,854.57</b>
<b>Total Liabilities</b>	<b>1,498,450.85</b>
Equity	
Common Stock	5,275.57
Additional Paid-in-Capital	3,781,902.21
Retained Earnings	-2,896,072.90
Net Income	416,830.13
<b>Total Equity</b>	<b>1,307,935.01</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,806,385.86</b>

4:01 PM  
04/27/17

**Schedule 3.6(c)(i)**  
**T3 Communications, Inc.**  
**Statement of Cash Flows**  
January through December 2015

	<u>Jan - Dec 15</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	416,830.13
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	73,304.87
Other Accounts Receivable:Employee Advances	1,539.25
Due From ITVantage	198,366.21
Fixed Assets:Accum Deprec - N/W Equip & S/W	71,271.85
Fixed Assets:Accum Deprec Furn/Fix	4,990.56
Fixed Assets:Accum Deprec Leaseholds	11,866.72
Fixed Assets:Accum Deprec- Software	7,693.22
Other Assets:Deposits/Prepays	736.31
Accounts Payable	269,735.57
AMEX - GM	9,399.66
Accrued Expenses:Accrued Payroll	5,479.70
Capital Lease Current Portion	24,213.72
Other Accounts Payable:Regulatory Fees, Taxes Payable:Sales Tax Payable	238.52
Promissory Notes - Short Term	-378,609.07
Deferred Liability - Stock Opti	-1,249.99
Un-earned Income-Cust PrePmts	46,620.00
Accrued Expenses:Accrued Commissions	3,956.67
Accrued Expenses:Accrued PTO and Incentives	-6,108.22
Other Accounts Payable:Regulatory Fees, Taxes Payable:FCC Regulatory Fee	-1,340.71
Other Accounts Payable:Regulatory Fees, Taxes Payable:Excise Tax	-720.97
Net cash provided by Operating Activities	<u>758,214.00</u>
<b>INVESTING ACTIVITIES</b>	
Fixed Assets:Capital Leases	-64,850.00
Fixed Assets:Network Equipment & Software	-210,257.79
Fixed Assets:Fiber	-1,520.00
Fixed Assets:Software	-22,946.42
Fixed Assets:Accum Deprec - Rental Phones	51,332.93
Fixed Assets:Rented Phones	-35,691.97
Fixed Assets:Accum Deprec - Capital Leases	41,192.51
Fixed Assets:Accum Deprec - Wireless Equipm	3,389.61
Other Assets:Accumulated Amortization	0.03
Other Assets:Intangible Assets - Caviar	17,500.00
Investment in ITVantage	-143,680.05
Stock Options Amortization	-1,016.66
Stock Options Award	250.00
Deferred Tax Asset	144,936.00
Other Assets:Accumulated Amortization - Cust	12,603.75
Net cash provided by Investing Activities	<u>-208,758.06</u>
<b>FINANCING ACTIVITIES</b>	

4:01 PM  
04/27/17

Schedule 3.6(c)(i)  
T3 Communications, Inc.  
**Statement of Cash Flows**  
January through December 2015

	<u>Jan - Dec 15</u>
Capital Lease-LT:Capital Lease- Interest Amort.	-5,136.37
Capital Lease-LT:Capital Lease-Gross	34,093.94
Deferred Tax Liability	101,055.00
Common Stock	<u>378.57</u>
Net cash provided by Financing Activities	<u>130,391.14</u>
Net cash increase for period	679,847.08
Cash at beginning of period	<u>349,327.06</u>
Cash at end of period	<u><u>1,029,174.14</u></u>

10:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2014

Ordinary Income/Expense	<u>TOTAL</u>
Income	
Broadband	
Fiber	995,372.11
Integrated Voice & Data	929,748.65
PRI	447,729.25
Data-Only	75,563.51
XDSL	154,109.13
ADSL	0.00
Wireless RC	348,726.63
ISP Services - NeoTech	2,135.09
Other Products & Services	112,736.33
HSE	600.00
Network Access Fees	124,273.60
XDSL Circuits	
XDSL - IAD	0.00
Total XDSL Circuits	<u>0.00</u>
WiMax	
Wireless PTP	300.00
Total WiMax	<u>300.00</u>
Total Broadband	3,191,294.30
Hosted PBX	
Meta - Hosted PBX	605,801.57
Hosted PBX - Transport	376,839.32
Meta - Rental	118,368.49
Total Hosted PBX	<u>1,101,009.38</u>
Long Distance & Usage	292,332.74
Colocation	274,452.70
TDM Voice	140,408.45
CABS Billing	350,047.88
Other Revenue	
Meta - Hosted Install	113,390.42
Wireless NRC	0.00
Circuit Installation	32,947.23
Telephone & Equipment	
CPE	-28,013.94
Telephone Systems	27,406.68
T1 - IAD	0.00
Other Equipment	202.63
Total Telephone & Equipment	<u>-404.63</u>
Billable Labor	52,771.51
Other NRC	17,414.06
Early Termination Penalty	102,156.34
Total Other Revenue	<u>318,274.93</u>
Total Income	<u>5,667,820.38</u>



10:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2014  
TOTAL

<b>Cost of Goods Sold</b>	
<b>Customer COG</b>	
Loop & Trans	725.48
HSE	466.80
<b>Loop &amp; Transport</b>	
Voice Gateway	86,346.04
Fiber	538,441.47
Wireless Transport	12,865.00
High Capacity Loops- T1/PRI	670,168.52
SHDSL Loops	32,693.40
Transport	195,904.90
Off-Net Circuits	36,398.82
Loop & Transport - Other	9,675.34
<b>Total Loop &amp; Transport</b>	<u>1,582,493.49</u>
Resale Circuits & Services	29,734.67
UNE-P Connectivity	127,096.92
<b>Usage COG</b>	
Long Distance & Features	171,430.48
MOU/Termination/CABS	70,100.46
Third Party Billing	24,354.80
<b>Total Usage COG</b>	<u>265,885.74</u>
<b>Total Customer COG</b>	<u>2,006,403.10</u>
<b>Network Costs</b>	
WH Colocation	38,820.00
Wireless Tower Rent	64,370.49
Data Wholesale Charges	96,274.85
Inter-Office Circuits	225,603.86
Signaling Circuits/LD Trunks	53,064.95
Sprint Colocation Rental	94,333.88
<b>Total Network Costs</b>	<u>572,468.03</u>
<b>Non-Recurring COG</b>	
Fiber Install	5,350.00
Circuit Installation Charges	2,738.79
Colocation Augment Fee/Expenses	7,932.99
<b>Total Non-Recurring COG</b>	<u>16,021.78</u>
<b>Telephone &amp; Equipment</b>	
CPE	1,677.26
Other Equipment	2,876.91
Outsourced Contractor	12,502.85
Telephone Systems	55,534.88
<b>Total Telephone &amp; Equipment</b>	<u>72,591.90</u>
<b>Operating Expenses</b>	
Engineering	
Salaries & Benefits	

10:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2014

	<u>TOTAL</u>
Salaries- Base	293,466.32
Salaries- Overtime	13,846.62
Salaries- Health Insurance	13,605.82
Salaries-Ins Den/Vis/LT/ST/LIFE	1,612.36
Salaries- Payroll Taxes	25,855.12
<b>Total Salaries &amp; Benefits</b>	<b>348,386.24</b>
<b>Office Expenses</b>	
Training	50.00
Miscellaneous	449.52
Maintenance Contracts	87,754.28
Consulting	75.00
Contracted Labor	35,223.02
Licenses & Permits	45,690.08
Office Supplies	548.59
Postage, Freight and Delivery	10,086.06
Telephone	
Cellular phone	3,659.63
<b>Total Telephone</b>	<b>3,659.63</b>
<b>Tools &amp; Supplies</b>	<b>22,971.94</b>
<b>Total Office Expenses</b>	<b>206,508.12</b>
<b>Travel &amp; Entertainment</b>	
Travel- Auto Rent/Tolls/Parking	13,161.11
Travel- Hotels	809.85
Travel- Meals	292.26
Travel- Personal Mileage	1,292.47
<b>Total Travel &amp; Entertainment</b>	<b>15,555.69</b>
<b>Total Engineering</b>	<b>570,450.05</b>
<b>Total Operating Expenses</b>	<b>570,450.05</b>
<b>Total COGS</b>	<b>3,237,934.86</b>
<b>Gross Profit</b>	<b>2,429,885.52</b>
<b>Expense</b>	
<b>Selling Expenses</b>	
<b>Salaries &amp; Benefits - Sales</b>	
Base Salaries	78,000.33
Commissions	20,316.30
Payroll Taxes-Sales	6,975.24
Health Insurance	3,730.31
Insurance- Den/Vis/LT/ST/Life	345.11
<b>Total Salaries &amp; Benefits - Sales</b>	<b>109,367.29</b>
<b>Advertising, S&amp;Mktng-Corp</b>	
Business Cards	0.00
Office Supplies	609.33
Agent Commissions	51,063.84
Direct Marketing	281.53

10:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2014

	<u>TOTAL</u>
Event Sponsorship	21,437.50
Membership Dues	1,898.80
Print Ads	3,075.00
Printing and Reproduction	1,281.90
Advertising, S&Mkting-Corp - Other	<u>252.00</u>
<b>Total Advertising, S&amp;Mkting-Corp</b>	<b>79,899.90</b>
Telephone - Cell Phone	2,936.24
Travel & Entertainment	
Travel-AUTO	945.13
Meals	1,983.11
Entertainment	<u>1,440.54</u>
<b>Total Travel &amp; Entertainment</b>	<b><u>4,368.78</u></b>
<b>Total Selling Expenses</b>	<b>196,572.21</b>
<b>Corporate G&amp;A</b>	
<b>Salaries &amp; Benefits</b>	
Insurance- Den/Vis/LTD/STD/LIFE	1,573.82
Executive	431,420.32
Customer Care	157,613.03
Overtime	4,786.84
Bonus	46,200.00
Payroll Taxes	51,664.93
Insurance- Health	25,358.77
Workers Comp	9,666.79
Payroll Administration	<u>930.06</u>
<b>Total Salaries &amp; Benefits</b>	<b>729,214.56</b>
<b>Insurance - General</b>	
Directors & Officers	6,854.22
Insurance- Property	19,630.71
Liability Insurance	<u>27,829.10</u>
<b>Total Insurance - General</b>	<b>54,314.03</b>
<b>Office Rent</b>	
2401 1st. Street	58,801.65
Interim Corporate Space	27,611.84
Office Rent - Other	<u>2,408.25</u>
<b>Total Office Rent</b>	<b>88,821.74</b>
<b>Office Expense</b>	
Contracted Labor	121,530.78
Bank Service Charges	31,632.62
Credit Card Discount	3,131.98
Equipment Rental	5,894.87
Fees	19,457.80
Licenses and Permits	6,968.76
Office Supplies	7,543.06
Postage, Freight and Delivery	3,601.46

10:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2014  
**TOTAL**

Recruiting	129.00
<b>Repairs and Maintenance</b>	
Equipment Repairs/Maintenance	972.69
Janitorial Exp	3,286.60
Repairs and Maintenance - Other	1,075.00
<b>Total Repairs and Maintenance</b>	<u>5,334.29</u>
<b>Utilities</b>	
Electric	59,176.24
Utilities - Other	915.96
<b>Total Utilities</b>	<u>60,092.20</u>
<b>Total Office Expense</b>	265,316.82
<b>Professional Fees</b>	
Collections Fees	800.00
Billing System Fees	39,972.98
Accounting	20,000.00
Answering Service	4,690.40
Consulting	81,508.17
Legal Fees	10,584.00
<b>Total Professional Fees</b>	<u>157,555.55</u>
<b>Taxes</b>	
Local	445.55
Property	16,874.42
State Sales/Use	10,360.94
Taxes - Other	746.33
<b>Total Taxes</b>	<u>28,427.24</u>
<b>Telephone</b>	
Cellular Phone	5,960.64
<b>Total Telephone</b>	<u>5,960.64</u>
<b>Travel &amp; Ent-Corp</b>	
Travel- Airfare	1,578.20
Travel-Auto/Parking/Rentals	1,898.90
Travel-Hotel	489.69
<b>Meals &amp; Entertainment</b>	
Entertainment	14,575.38
Meals	9,657.28
<b>Total Meals &amp; Entertainment</b>	<u>24,232.66</u>
Mileage	2,201.07
<b>Total Travel &amp; Ent-Corp</b>	<u>30,400.52</u>
<b>Bad Debt</b>	216,742.18
<b>N.O.C. Expenses</b>	
Maintenance Contracts	160.00
Tools & Supplies	0.00
<b>Total N.O.C. Expenses</b>	<u>160.00</u>
<b>Regulatory &amp; NW Admin Fees</b>	10,005.07

10:45 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Profit & Loss**  
January through December 2014

	<u>TOTAL</u>
Training & Development	
Other Training	1,933.23
Training & Development - Other	284.00
Total Training & Development	<u>2,217.23</u>
Corporate G&A - Other	0.00
Total Corporate G&A	<u>1,589,135.58</u>
Total Expense	<u>1,785,707.79</u>
Net Ordinary Income	644,177.73
Other Income/Expense	
Other Income	
Provision for Income Tax Benefi	-118,341.00
Income from Subsidiary	107,233.78
Interest Income	306.50
Other Income	7,454.09
Total Other Income	<u>-3,346.63</u>
Other Expense	
Non Cash Based Compensation	18,184.93
Other Expense	
Severance Expense	2,318.19
Other Expense - Other	20,000.00
Total Other Expense	<u>22,318.19</u>
Interest Expense	
Lease Interest	1,245.81
Non-Cash	52.01
Notes Payable	69,766.72
Other	1,316.80
Total Interest Expense	<u>72,381.34</u>
Depreciation and Amortization	
Depreciation - Rental Phones	58,074.02
Software	5,651.37
Capital Leases	51,927.42
Depreciation-Fiber	4,593.00
Depreciation - Wireless	27,424.99
N/W Equipment	57,429.13
Customer Premise Equipment	55,007.18
Amortization	13,770.48
Office Equipment & Software	6,085.08
Furniture & Fixtures	5,191.56
Leasehold Improvements	11,033.05
Total Depreciation and Amortization	<u>296,187.28</u>
Write-offs - DO NOT USE	0.00
Total Other Expense	<u>409,071.74</u>
Net Other Income	<u>-412,418.37</u>
Net Income	<u><u>231,759.36</u></u>

11:21 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2014  
Dec 31, 14

**ASSETS**

**Current Assets**

**Checking/Savings**

INTRON - FL Gulf Bank 5,663.66

**Bank Accounts**

Finemark Operating 28,396.66

Southwest Capital Bank - Oper 170,744.74

Checking - T3 - FL Gulf Bk 38,963.32

Merchant Acct. - FL Gulf Bank 101,142.98

**Total Bank Accounts** 339,247.70

**Petty Cash** 4,415.70

**Total Checking/Savings** 349,327.06

**Accounts Receivable**

Accounts Receivable 99,570.39

**Total Accounts Receivable** 99,570.39

**Other Current Assets**

Due From ITVantage 71,008.77

OmniOSS A/R 593,425.49

Allowance for Bad Debt -202,763.44

Inventory for Resale 7,899.44

**Other Accounts Receivable**

Employee Advances 2,436.48

**Total Other Accounts Receivable** 2,436.48

**Pre-Paid**

Prepaid Expenses 29,101.98

Prepaid Insurance 18,944.32

**Total Pre-Paid** 48,046.30

Shareholder Receivable 0.00

**Total Other Current Assets** 520,053.04

**Total Current Assets** 968,950.49

**Fixed Assets**

**Fixed Assets**

Accum Deprec - Rental Phones -122,341.08

Rented Phones 200,775.00

Accum Deprec - Capital Leases -1,835,464.98

Accum Deprec - Wireless Equipm -231,067.28

Wireless Equipment 235,191.25

Network Equipment & Software 1,505,724.62

Capital Leases 1,887,982.28

Accum Deprec - N/W Equip & SW -1,247,839.74

Software 62,773.83

Accum Deprec- Software -52,881.49

Customer Premise Equipment 394,215.68

Accum Deprec - CPE -247,948.15

Office Equipment 92,667.15

11:21 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2014  
Dec 31, 14

Accum Deprec - Office Equip	-72,554.36
Furniture & Fixtures	62,763.88
Accum Deprec Furn/Fix	-50,694.07
Leasehold Improvements	188,159.53
Accum Deprec Leaseholds	-61,668.67
Fiber	98,928.26
Accumulated Deprec - Fiber	-73,938.04
<b>Total Fixed Assets</b>	<b>732,783.62</b>
<b>Total Fixed Assets</b>	<b>732,783.62</b>
<b>Other Assets</b>	
Investment in iTVantage	342,170.17
Stock Options Amortization	-1,372.33
Stock Options Award	2,939.00
Deferred Tax Asset	226,187.00
<b>Other Assets</b>	
Accumulated Amortization - Cust	-41,311.38
Loan Origination Fee	7,597.39
CLEC Development	13,362.75
Accumulated Amortization	-20,960.14
Deposits/Prepays	63,265.29
Intangible Assets - Caviar	206,556.74
<b>Total Other Assets</b>	<b>228,510.65</b>
<b>Total Other Assets</b>	<b>798,434.49</b>
<b>TOTAL ASSETS</b>	<b>2,500,168.60</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	338,158.13
<b>Total Accounts Payable</b>	<b>338,158.13</b>
Credit Cards	
AMEX - GM	14,912.68
<b>Total Credit Cards</b>	<b>14,912.68</b>
<b>Other Current Liabilities</b>	
Promissory Notes - Short Term	210,000.00
Deferred Liability - Stock Optl	4,250.00
Un-earned Income-Cust PrePmts	0.00
United Way Contributions	0.00
<b>Accrued Expenses</b>	
Accrued Commissions	2,038.34
Accrued PTO and Incentives	16,876.91
Accrued Accounting Fees	6,183.50
Accrued Payroll	54,877.55
Accrued Legal Fees	7,500.09

11:21 AM  
04/27/17  
Accrual Basis

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Balance Sheet**  
As of December 31, 2014  
Dec 31, 14

Accrued Other	25,000.00
Accrued Property Taxes	2,621.78
<b>Total Accrued Expenses</b>	<b>115,098.17</b>
Capital Lease Current Portion	0.00
Notes Payable - Short Term	300,000.00
Other Accounts Payable	
Regulatory Fees, Taxes Payable	
FCC Regulatory Fee	-1,066.63
Excise Tax	1,360.22
Sales Tax Payable	0.01
CST Payable	0.00
Florida TASA Payable	297.00
Federal USF Payable	-21,779.92
FL Sales Tax Pay.	0.00
<b>Total Regulatory Fees, Taxes Payable</b>	<b>-21,189.32</b>
<b>Total Other Accounts Payable</b>	<b>-21,189.32</b>
Un-earned Income	170,492.06
<b>Total Other Current Liabilities</b>	<b>778,650.91</b>
<b>Total Current Liabilities</b>	<b>1,131,721.72</b>
<b>Long Term Liabilities</b>	
Deferred Tax Liability	139,842.00
Promissory Note	470,000.00
Capital Lease-LT	
Capital Lease- Interest Amort.	0.00
Capital Lease-Gross	0.00
<b>Total Capital Lease-LT</b>	<b>0.00</b>
Notes Payable (Convertible)	0.00
<b>Total Long Term Liabilities</b>	<b>609,842.00</b>
<b>Total Liabilities</b>	<b>1,741,563.72</b>
<b>Equity</b>	
Common Stock	4,897.00
Additional Paid-in-Capital	
Restricted Stock Award	0.00
Additional Paid-in-Capital - Other	3,649,780.78
<b>Total Additional Paid-in-Capital</b>	<b>3,649,780.78</b>
Retained Earnings	-3,127,832.26
Net Income	231,759.36
<b>Total Equity</b>	<b>758,604.88</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,500,168.60</b>



3:56 PM  
04/27/17

**Schedule 3.6(c)(ii)**  
**T3 Communications, Inc.**  
**Statement of Cash Flows**  
January through December 2014

	<u>Jan - Dec 14</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	231,759.36
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-54,076.16
Inventory for Resale	8,127.56
Other Accounts Receivable:Employee Advances	3,462.52
Due From ITVantage	37,121.63
Fixed Assets:Accum Deprec - N/W Equip & S/W	57,429.13
Fixed Assets:Accum Deprec Furn/Fix	5,191.56
Fixed Assets:Accum Deprec Leaseholds	11,033.05
Fixed Assets:Accum Deprec- Software	5,651.37
Other Assets:Deposits/Prepays	7,194.11
Accounts Payable	-120,465.89
AMEX - GM	12,034.84
Accrued Expenses:Accrued Payroll	10,991.90
Capital Lease Current Portion	-27,698.94
Other Accounts Payable:Regulatory Fees, Taxes Payable:Sales Tax Payable	0.01
Promissory Notes - Short Term	-520,000.00
Deferred Liability - Stock Opti	-1,237.00
Un-earned Income-Cust PrePmts	-110.33
Accrued Expenses:Accrued Commissions	-2,716.97
Accrued Expenses:Accrued PTO and Incentives	-3,751.44
Other Accounts Payable:Regulatory Fees, Taxes Payable:FCC Regulatory Fee	-1,207.25
Other Accounts Payable:Regulatory Fees, Taxes Payable:Excise Tax	915.97
Net cash provided by Operating Activities	<u>-340,350.97</u>
<b>INVESTING ACTIVITIES</b>	
Fixed Assets:Network Equipment & Software	-136,789.90
Fixed Assets:Leasehold Improvements	-8,000.00
Fixed Assets:Software	-13,050.00
Fixed Assets:Accum Deprec - Rental Phones	58,074.02
Fixed Assets:Rented Phones	-50,395.30
Fixed Assets:Accum Deprec - Capital Leases	51,927.42
Fixed Assets:Accum Deprec - Wireless Equipm	27,424.99
Investment In ITVantage	-107,233.78
Stock Options Amortization	683.33
Stock Options Award	-250.00
Deferred Tax Asset	122,792.00
Other Assets:Accumulated Amortization - Cust	13,770.48
Net cash provided by Investing Activities	<u>-41,046.74</u>
<b>FINANCING ACTIVITIES</b>	
Capital Lease-LT:Capital Lease- Interest Amort.	1,245.81
Capital Lease-LT:Capital Lease-Gross	-2.75

3:56 PM  
04/27/17

Schedule 3.6(c)(ii)  
T3 Communications, Inc.  
**Statement of Cash Flows**  
January through December 2014

	<u>Jan - Dec 14</u>
Deferred Tax Liability	-4,451.00
Promissory Note	470,000.00
Additional Paid-in-Capital: Restricted Stock Award	<u>17,501.60</u>
Net cash provided by Financing Activities	<u>484,293.66</u>
Net cash increase for period	102,895.95
Cash at beginning of period	<u>235,482.76</u>
Cash at end of period	<u><u>338,378.71</u></u>

Schedule 3.6(d)

**T3 COMMUNICATIONS, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2015 and 2014**

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Consolidated Balance Sheets	3
Consolidated Statements of Income	4
Consolidated Statements of Changes in Stockholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 19
SUPPLEMENTARY INFORMATION	
Consolidating Balance Sheet	20
Consolidating Statement of Income	21 - 22



*Hughes, Snell & Co., P.A.*  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

---

---

Board of Directors and stockholders  
T3 Communications, Inc. and subsidiaries  
Fort Myers, Florida

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated financial statements of T3 Communications, Inc. (a Florida corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, consolidated changes in stockholders' equity, and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of T3 Communications, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note P to the consolidated financial statements, intangible assets at the beginning of 2014 have been adjusted down by \$17,500 to recognize a correction of an error in the purchase price of a customer list based upon contingent earnings. Our opinion is not modified with respect to that matter.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information contained on pages 20 -- 22 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Hughes, Snell & Co. P.A.".

HUGHES, SNELL & CO., P.A.

Fort Myers, Florida  
November 11, 2016

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets  
December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 962,660	\$ 530,034
Accounts receivable, net	485,941	705,575
Other receivables	16,586	22,847
Employee receivables	897	2,436
Inventory	13,154	13,154
Prepaid expenses	52,096	48,536
Total Current Assets	<u>1,531,334</u>	<u>1,322,582</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<u>945,037</u>	<u>815,981</u>
<b>OTHER ASSETS</b>		
Deposits	65,239	64,742
Goodwill, net	64,577	73,802
Other intangible assets, net	135,142	147,745
Deferred tax asset	81,251	226,187
Other assets	2,333	1,567
	<u>348,542</u>	<u>514,043</u>
Total Assets	<u>\$ 2,824,913</u>	<u>\$ 2,652,606</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 571,233	\$ 353,070
Accrued expenses	101,948	121,035
Federal and state income taxes payable	17,660	-
Deferred revenue	225,415	305,210
Secured convertible debenture	-	300,000
Current portion of notes payable	248,654	219,316
Current portion of capital lease obligations	24,003	8,508
Total Current Liabilities	<u>1,188,913</u>	<u>1,307,139</u>
<b>LONG TERM LIABILITIES</b>		
Deferred tax liability	240,897	139,842
Notes payable, less current maturities	82,601	479,895
Capital lease obligations, less current maturities	32,244	3,076
	<u>355,742</u>	<u>622,813</u>
<b>STOCKHOLDERS' EQUITY</b>		
Capital stock, \$.001 par value, authorized 100,000,000 shares; 5,276,019 and 4,847,448 issued and outstanding in 2015 and 2014, respectively	5,276	4,847
Additional paid-in-capital	3,781,902	3,632,331
Accumulated deficit	(2,506,920)	(2,914,524)
Total Stockholders' Equity	<u>1,280,258</u>	<u>722,654</u>
Total Liabilities and Stockholders' Equity	<u>\$ 2,824,913</u>	<u>\$ 2,652,606</u>

The accompanying notes are an integral part of these financial statements.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statements of Income  
Years Ended December 31, 2015 and 2014

REVENUES EARNED	<u>2015</u>	<u>2014</u>
Recurring Revenue		
Broadband	\$ 1,500,889	\$ 1,847,196
Fiber	1,184,483	995,372
Wireless	207,737	348,727
Long distance usage	311,580	292,333
Hosted PBX	1,311,255	1,101,009
Collocation	259,890	274,453
Managed Services	1,584,238	1,104,009
CABs	204,710	350,048
TDM voice	144,573	140,408
Total Recurring Revenue	<u>6,709,355</u>	<u>6,453,555</u>
Equipment sales	676,096	706,456
Nonrecurring revenue	445,757	686,385
Total Revenue	<u>7,831,208</u>	<u>7,846,396</u>
 COST OF GOODS SOLD		
Loop and transport	1,630,642	1,740,051
Usage	226,182	266,353
Network costs	430,982	572,468
Network operations	638,587	570,450
Equipment costs	738,253	750,897
Installation and customer premise equipment	256,748	256,731
Total Cost of Goods Sold	<u>3,921,394</u>	<u>4,156,950</u>
 OPERATING EXPENSES		
Selling		
Salaries	137,773	232,500
Commission	86,279	79,236
Advertising	63,920	44,153
Other	7,118	7,305
Total Selling Expenses	<u>295,090</u>	<u>363,194</u>
General and Administrative		
Salaries	1,455,641	1,417,087
Rent	183,500	132,955
Bad debt	250,629	224,457
Professional fees	157,238	157,556
Travel and entertainment	39,603	41,443
Other	502,638	584,736
Total General and Administrative Expenses	<u>2,589,249</u>	<u>2,558,234</u>
Total Operating Expenses	<u>2,884,339</u>	<u>2,921,428</u>
Income from Operations	<u>1,025,475</u>	<u>768,018</u>
 OTHER INCOME AND (EXPENSE)		
Interest income	-	307
Other income	8,061	7,576
Gain on sale of assets	4,664	572
Interest expense	(45,007)	(75,916)
Other expense	-	(22,318)
Depreciation and amortization	(321,938)	(337,364)
	<u>(354,220)</u>	<u>(427,143)</u>
Net Income Before Provision for Income Taxes	671,255	340,875
PROVISION FOR INCOME TAX EXPENSE	<u>(263,651)</u>	<u>(118,341)</u>
Net Income \$	<u>\$ 407,604</u>	<u>\$ 222,534</u>

The accompanying notes are an integral part of these financial statements.



T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity  
Years Ended December 31, 2015 and 2014

	<u>Capital Stock</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balances, January 1, 2014	\$ 4,897	\$ 3,632,279	\$ (3,137,058)	\$ 500,118
Share-based payments	-	17,502	-	17,502
Net income	<u>-</u>	<u>-</u>	<u>222,534</u>	<u>222,534</u>
Balances, December 31, 2014 as previously reported	4,897	3,649,781	(2,914,524)	740,154
Prior period adjustment	<u>(50)</u>	<u>(17,450)</u>	<u>-</u>	<u>(17,500)</u>
Balances, December 31, 2014 as restated	4,847	3,632,331	(2,914,524)	722,654
Issuance of additional common stock from secured convertible debenture	429	149,571	-	150,000
Net income	<u>-</u>	<u>-</u>	<u>407,604</u>	<u>407,604</u>
Balances, December 31, 2015	<u>\$ 5,276</u>	<u>\$ 3,781,902</u>	<u>\$ (2,506,920)</u>	<u>\$ 1,280,258</u>

**The accompanying notes are an integral part of these financial statements.**

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows  
Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 407,604	\$ 222,534
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	321,938	337,364
Bad debt expense	250,629	224,457
Gain on sale of assets	(4,664)	(572)
Share-based compensation	-	17,502
(Increase) decrease in assets		
Accounts receivable	(30,995)	(287,230)
Other receivables	6,261	(22,847)
Employee receivables	1,539	3,463
Inventory	-	8,181
Prepaid expenses	(3,560)	1,454
Deferred tax asset	144,936	122,792
Deposits	(497)	6,512
Other assets	(767)	433
Increase (decrease) in liabilities		
Accounts payable	218,163	(108,433)
Accrued expenses	(19,087)	18,670
Federal and state income taxes payable	17,660	-
Deferred tax liability	101,055	(4,451)
Deferred revenue	(79,795)	148,765
<b>Net Cash Provided by Operating Activities</b>	<b>1,330,420</b>	<b>688,594</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(342,673)	(331,467)
Proceeds from sale of property and equipment	9,000	1,300
<b>Net Cash Used in Investing Activities</b>	<b>(333,673)</b>	<b>(330,167)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(393,934)	(100,029)
Principal payments on secured convertible debentures	(150,000)	-
Principal payments on capital leases	(20,187)	(33,923)
<b>Net Cash Used in Financing Activities</b>	<b>(564,121)</b>	<b>(133,952)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>432,626</b>	<b>224,475</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>530,034</b>	<b>305,559</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 962,660</b>	<b>\$ 530,034</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest paid	<b>\$ 45,007</b>	<b>\$ 75,916</b>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITIES</b>		
Capital leases incurred for purchase of property and equipment	<b>\$ 64,850</b>	<b>\$ -</b>
Note payable incurred for purchase of property and equipment	<b>\$ 25,978</b>	<b>\$ -</b>
Issuance of common stock due to conversion of note	<b>\$ 429</b>	<b>\$ -</b>
Increase in APIC due to conversion of note	<b>\$ 149,571</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

## T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

### **NOTE A – ORGANIZATION AND NATURE OF OPERATIONS**

T3 Communications, Inc. (T3), a Florida corporation, was incorporated on January 4, 2006. Its principal place of business is at 2401 First Street, Suite 300, Fort Myers, FL 33901.

T3 is a next-generation telecommunications carrier, providing broadband internet, advanced IP voice and data, disaster recovery and collocation services and a host of other premise-based and cloud-computing solutions to businesses in Southwest and Central Florida. The Company offers services through traditional access methods, such as copper T1s and x-DSL, as well as some unique access methods to reach its customers, including WiMAX (wireless) and Fiber, which allows the company to be a low-cost, high-quality leader in the markets it serves.

T3 owns 100% of ITVantage, a provider of managed network services in local markets, making ITVantage a wholly owned subsidiary of T3.

Eastern Lee County Fiber, LLC (Eastern) is a single member limited liability company, solely owned by T3. Intron Solutions, LLC (Intron) is a single member limited liability, solely owned by Eastern, that provides fiber services to customers. As single member limited liability companies, the transactions of Eastern and Intron are included as transactions of T3.

T3, ITVantage, Eastern and Intron are collectively herein referred to as the “Company”.

### **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Presentation

The Company's policy is to prepare its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues and profits are recognized when earned, regardless of when cash is received, and expenses and losses are recognized when incurred, regardless of when cash is disbursed.

#### Principles of Consolidation

The consolidated financial statements include the accounts of T3, ITVantage, Eastern and Intron. All significant intercompany transactions are eliminated in these consolidated financial statements.

#### Cash and Cash Equivalents

Management considers all short-term highly liquid investments with a maturity of three months or less to be cash equivalents.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Accounts Receivable

Accounts Receivable represents normal trade obligations due from customers for services provided. The Company generally considers accounts past due if they are outstanding over 20 days. T3 maintains a collection process for past due accounts.

An allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in its receivable portfolio determined on the basis of historical experience and other available evidence. Past due accounts are written off against the allowance for doubtful accounts when collection is considered to be not probable. Allowance for doubtful accounts for the years ended December 31, 2015 and 2014 were \$189,730 and \$209,701, respectively.

Revenue Recognition

T3 recognizes revenue for services when the related services are provided. Recognition of certain payments received in advance of services being provided is deferred until the service is provided. These advance payments include managed services and IT support charges, which the Company recognizes as revenue over the expected customer relationship period.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined substantially by the weighted average cost method. Market represents the lower of replacement cost or estimated net realizable value.

Property and Equipment

Property and equipment are stated at cost. Depreciation is charged on the straight-line method over the estimated useful life of the various assets. The Company's property and equipment are depreciated or amortized over the following estimated useful lives:

	<u>Term</u>
Network equipment	5 years
Software	3 - 5 years
Leasehold improvements	Lease Term
Customer premise equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Fiber	5 - 15 years
Hardware rented to customers	3 years
Wireless equipment	5 years

---

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment (continued)

Leasehold improvements are amortized over the shorter of the leasehold improvements useful life or lease term. Repairs and maintenance are charged to operations as incurred. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and any related gain or loss is reflected in earnings. The Company reviews long-lived assets, other than goodwill and other intangible assets with indefinite lives, for impairment whenever facts and circumstances indicate that the carrying amounts of the assets may not be recoverable.

Goodwill

Intangible assets arising from business combinations, such as goodwill, are initially recorded at fair value. Goodwill was derived from acquisitions whereby the purchase price exceeded the fair value of the net assets acquired. The Company amortizes goodwill over ten years on a straight-line basis. Additionally, the Company is required to review goodwill for impairment. Goodwill should be tested for impairment when a triggering event occurs that indicates that the fair value of an entity (or reporting unit) may be below its carrying amount. No adjustment for impairment was made for the year ended December 31, 2015 or 2014, respectively. The Company began amortizing goodwill during 2013. Goodwill accumulated amortization was \$27,675 and \$18,450 for the years ended December 31, 2015 and 2014, respectively.

Intangible Assets

Customer lists are being amortized on the straight-line method over forty-eight months. Amortization expense for years ended December 31, 2015 and 2014 was \$12,604 and \$13,771, respectively. Accumulated amortization for the years ended December 31, 2015 and 2014 were \$53,915 and \$41,311, respectively. Amortization expense for each of the next five years will be approximately \$12,600.

Initial costs for becoming a telecommunications exchange provider are amortized on a straight-line basis. Costs of \$13,363 have been fully amortized.

USF, Gross Receipts Taxes and Other Surcharges

Certain taxes and surcharges collected from customers and remitted to governmental authorities, including USF charges, sales, use, excise, and gross receipts taxes are not included in the Company's revenue. T3 acts merely as a collection agent for the government authority and remits collected taxes accordingly.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Taxes

The Company files a consolidated tax return including the wholly owned subsidiary ITVantage, and the single member limited liability companies Eastern and Intron.

The Company provides for income taxes under the asset and liability method. Deferred income taxes are recognized for expected future tax consequences of temporary differences between financial statement carrying amounts and the tax basis of existing assets and liabilities using tax rates expected in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that, some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, the Company will need to generate future taxable income prior to the expiration of the deferred tax assets governed by the tax code.

The Company adopted Accounting Standards Codification (ASC) 740-10 as it relates to uncertain tax positions and has evaluated its tax positions taken for all open tax years. Currently, the last three tax years are open and subject to examination by the Internal Revenue Service. However, the Company is not currently under audit nor has the Company been contacted by any tax jurisdiction.

Based on the evaluation of the Company's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2015 and 2014.

Share-Based Compensation

ASC 718 Equity applies to share-based payment transactions to employees in which an entity acquires goods or services by issuing equity instruments. All entities must recognize the fair value of share-based payment awards classified in equity, and are required to estimate the number of awards expected to vest and recognize compensation cost based on that estimate.

The Company maintains programs that allow its Board of Directors (through its Compensation Committee or Chief Executive Officer as its delegate) to grant incentives to certain employees in the form of incentive stock options and restricted stock awards. The fair values of awards are generally based on enterprise values for the Company in recent financing transactions and in prospective earnings calculations used for recent business valuations.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Advertising

Advertising costs are expensed as incurred. Advertising expense for years ended December 31, 2015 and 2014 was \$63,920 and \$44,153, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Managements' Review of Financial Statements

Management has evaluated subsequent events through November 11, 2016, the date, which the financial statements were available to be issued.

**NOTE C – PROPERTY AND EQUIPMENT**

The components of property and equipment are as follows at December 31:

	2015	2014
Network equipment	\$ 3,256,408	\$ 2,981,299
Software	167,933	112,840
Leasehold improvements	188,160	188,160
Customer premise equipment	705,968	677,986
Furniture, fixtures and office equipment	279,603	266,676
Fiber	100,448	98,928
Hardware rented to customers	236,467	200,775
Wireless equipment	288,450	288,450
Vehicles	67,483	65,030
	<u>5,290,920</u>	<u>4,880,144</u>
Less accumulated depreciation	4,345,883	4,064,163
	<u>\$ 945,037</u>	<u>\$ 815,981</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$300,109 and \$314,369, respectively.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE D – ACCRUED EXPENSES**

The components of accrued expenses and other current liabilities are as follows at December 31:

	<u>2015</u>	<u>2014</u>
Fees and taxes	\$ 98	\$ 4,309
Other accruals	3,000	29,250
Professional fees	12,084	13,684
Incentives and commissions	26,408	18,915
Accrued wages	60,358	54,877
	<u>\$ 101,948</u>	<u>\$ 121,035</u>

**NOTE E – LEASE OBLIGATIONS**

Capital leases

Assets recorded under capital lease obligations and included in property and equipment in the accompanying balance sheet consist of the following:

	<u>2015</u>	<u>2014</u>
Equipment under capital lease, cost	\$ 88,363	\$ 23,513
Accumulated depreciation	(20,218)	(7,838)
Capital lease equipment, net	<u>\$ 68,145</u>	<u>\$ 15,675</u>

The Company has entered into a capital leases to finance certain network acquisitions. The lease expires in 2016.

Future minimum lease payments under capital leases are as follows:

<u>Year Ending December 31</u>	
2016	\$ 27,376
2017	24,214
2018	9,879
Total payments	<u>61,469</u>
Less amount representing interest	<u>(5,222)</u>
Total capital lease obligations	56,247
Capital lease obligations, current	<u>(24,003)</u>
Capital lease obligations, net of current	<u>\$ 32,244</u>



T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE E – LEASE OBLIGATIONS (continued)**

Operating Leases

The Company leases its corporate facilities, sales office and collocation space for data centers under non-cancelable operating leases in Ft. Myers and Naples, FL. Additionally, the Company has tower lease obligations and a lease in Winterhaven, FL for additional data center cabinets that expired in July 2015. Rent expense for operating leases for years ended December 31, 2015 and 2014 was \$183,500 and \$132,955, respectively.

Future minimum lease payments under operating leases are as follows:

Year Ending December 31	
2016	\$ 125,887
2017	89,670
2018	19,026
2019	6,404
Total Payments	\$ <u>240,987</u>

**NOTE F – NOTES PAYABLE**

Notes payable consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Notes payable to shareholders, unsecured, with monthly interest only payments at 7% through March 2015. Monthly payments from \$1,119 to \$3,358 including principle and interest scheduled to mature March 2017.	\$ 96,188	\$ 270,000
Notes payable to shareholders, unsecured, with monthly interest only payments at 7% through March 2015. Monthly payments from \$2,239 to \$6,716 including principle and interest scheduled to mature March 2017.	128,252	260,000
Notes payable to shareholders, unsecured, with monthly interest only payments at 7% through March 2015. Monthly payments from \$2,239 to \$3,134 including principle and interest scheduled to mature March 2017.	76,951	150,000
Note payable finance company, collateralized by a vehicle in monthly installments of \$361 with zero interest, maturing in August 2021.	24,533	-

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE F – NOTES PAYABLE (continued)**

	<u>2015</u>	<u>2014</u>
Note payable finance company, collateralized by a vehicle in monthly installments of \$466 including interest of 8.89%, maturing in December 2016.	5,331	10,214
Note payable finance company, collateralized by a vehicle in monthly installments of \$386 including interest of 2.9%, paid in full October 2015.	-	8,997
	<u>331,255</u>	<u>699,211</u>
Less current maturities	<u>248,654</u>	<u>219,316</u>
	<u>\$ 82,601</u>	<u>\$ 479,895</u>

The following is a summary of maturities of notes payable:

<u>Year Ended December 31</u>	
2016	\$ 248,654
2017	66,728
2018	4,330
2019	4,330
2020	4,330
2021	2,883
	<u>\$ 331,255</u>

**NOTE G – SECURITIES PURCHASE AGREEMENT**

In 2006, the Company entered into Securities Purchase Agreements with four related parties (the “Investors”). In conjunction with the execution of the Securities Purchase Agreements, the Company also entered into a secured convertible debenture agreement and a common stock warrant agreement with each Investor. Principal and unpaid interest at the rate of prime plus 5% on the one remaining secured convertible debenture was due March 31, 2014. In 2014, the debenture agreement was extended one year to March 31, 2015, with interest on the debentures payable monthly at the rate of 7%.

The Investor was entitled to convert all or part of the debenture into shares of common stock of the Company. The conversion price was currently \$.35 per share and was subject to adjustment as provided in the secured convertible debenture agreement. The debenture was convertible into a total of 857,143 shares of common stock of the Company at December 31, 2014.

On March 31, 2015, the debenture was converted to 428,571 shares of common stock at \$.35 per share and a redemption payment of \$150,000.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE H – STOCK WARRANTS**

In April of 2011, the Company made a “Debt Exchange Offering and Debt Restructuring” to non-bank secured and unsecured debt holders of the Company, all of whom were also shareholders or nominees of shareholders. Under the debt-restructuring offer, the exercise price per share of common stock for existing warrants previously issued to debt holders (“Existing Warrants”) was adjusted to \$.35 per share.

Also in consideration for acceptance of debt restructuring, debt holders were offered new warrants from the Company to purchase common stock at an exercise price of \$.35 per share, (“New Warrants”).

The fair value of outstanding warrants were indexed to an aggregate 2,133,515 shares of the Company’s stock. The calculated value for all warrants was \$.01 per warrant share. The fair value calculations were performed by independent consultants using fair value as defined in the Accounting Standards Codification 820-10-35-2, *Fair Value Measurements* as of December 31, 2012. Management asserts no substantial change in the warrant value per share as of December 31, 2014. These warrants expired as of March 31, 2015.

**NOTE I – INCENTIVE BASED COMPENSATION**

In 2007, the Company awarded 200,000 restricted shares of common stock, par value \$.001 per share, to executive officers, subject to a vesting schedule and/or completion of certain company performance conditions. For the year ended December 31, 2015, there was no share-based compensation expense. For the year ended December 31, 2014, shared-based compensation expense was \$17,502.

The following table summarizes the activity involving restricted stock awards for the year ended December 31, 2014:

	Non-vested Number of Shares	Weighted Average Grant Price	Non-vested Share Value
As of January 1, 2014	49,988	0.35	\$ 17,502
Granted	-	-	-
Vested	(49,988)	0.35	(17,502)
Forfeited	-	-	-
As of December 31, 2014	-	0.35	\$ -

The total vested shares at the end of December 31, 2014, were 200,000.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE J – EQUITY INCENTIVE STOCK OPTION PLAN**

The T3 Communications Equity Incentive Plan was originally established to foster and promote the long-term financial success of T3 and its subsidiaries and thereby stockholder value. The Plan provides for the award of equity incentives to those employees, directors, or officers of, or key advisers or consultants to, the Company or any of its subsidiaries who are responsible for or contribute to the management, growth or success of the Company or any of its subsidiaries.

The maximum number of shares available for issuance under the Plan at any given time shall be equal to the greater of 900,000 shares of Common Stock; or that number of shares of Common Stock equal to eighteen percent (18.0%) of the Adjusted Diluted Shares Outstanding.

The vesting period is generally over a period of five years from the date of grant, subject to certain exceptions at the discretion of the Board. Each Stock Option agreement shall state the period of time within which the Stock Option may be exercised, however no Stock Option shall be exercisable after 10 years from the date of grant.

The following table summarizes the activity involving stock option awards for the year ended December 31, 2015:

	Outstanding Number of Options	Weighted Average Exercise Price
Beginning of year 2015	425,000	0.01
Granted	-	-
Exercised	-	-
Forfeited	(125,000)	0.01
End of year 2015	300,000	0.01

The total vested options at the end of December 31, 2015, were 300,000.

**NOTE K – 401(K) RETIREMENT PLAN**

The Company has a discretionary 401(k) retirement plan covering all eligible employees. Profit-sharing expense is funded through annual contributions to the plan. The Company did not contribute for the years ending December 31, 2015 and 2014, respectively.

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

**NOTE L – INCOME TAXES**

The provisions for income taxes consist of the following components:

	<u>2015</u>	<u>2014</u>
Current tax expense		
Federal	\$ 155,870	\$ 119,306
State	6,726	-
	<u>162,596</u>	<u>119,306</u>
Deferred expense (benefit)		
Federal	82,770	(965)
State	18,285	-
	<u>101,055</u>	<u>(965)</u>
	<u>\$ 263,651</u>	<u>\$ 118,341</u>

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Notwithstanding, differences between the carrying amounts of assets and liabilities and their respective tax bases are evaluated to determine whether income tax assets or liabilities require recognition.

These deferred tax assets (liabilities) consisted of the following at December 31:

	<u>2015</u>	<u>2014</u>
Net current assets (liabilities):		
Allowance for doubtful accounts		
Federal	\$ 66,406	\$ 73,395
State	10,435	-
	<u>76,841</u>	<u>73,395</u>
Net non-current assets (liabilities):		
Net operating loss carry-forwards		
Federal	3,911	152,792
State	499	-
Property and equipment		
Federal	(222,612)	(139,842)
State	(18,285)	-
	<u>(236,487)</u>	<u>12,950</u>
Less: Valuation allowances	-	-
	<u>(236,487)</u>	<u>12,950</u>
Net deferred tax assets (liabilities)	<u>\$ (159,646)</u>	<u>\$ 86,345</u>

Valuation allowances are required in the absence of reasonable assurance of future income sources.

## T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2015 and 2014

#### **NOTE L – INCOME TAXES (continued)**

At December 31, 2015, the Company had net operating loss carry-forwards of approximately \$4,410, which may be used to offset future taxable income. After reviewing recent history, management decided that the Company is generating sufficient taxable income that will allow the use of the net operating loss. The net operating loss carry-forward is available to offset future earnings expiring through the year 2035. At December 31, 2014, the Company had net operating loss carry-forwards of approximately \$436,550, of which \$434,951 were used to offset taxable income during 2015.

#### **NOTE M – RELATED PARTY TRANSACTIONS**

The Company purchases its corporate insurances including director and officer insurance, workers compensation, and commercial & general liability insurances from a company of which an owner is a note holder. For the years ended December 31, 2015 and 2014, the Company paid fees of \$6,982 and \$6,989, respectively.

The Company leases one of its facilities from a corporation, which is a shareholder of the Company. For the years ended December 31, 2015 and 2014, the Company paid rent of \$2,575 and \$4,607, respectively.

The Company entered into a two-year consulting agreement during February 2012 with a board member and shareholder to act in the capacity of Chief Operating Officer at an annual fee of \$120,000. As of January 31, 2014, the agreement automatically renewed for a period of one year expiring December 31, 2014. For the years ended December 31, 2015 and 2014, the Company paid fees of \$5,000 and \$120,000, respectively.

The Company purchased software-programming services from a company of which a certain member is also an employee of the Company. For the years ended December 31, 2015 and 2014, the Company incurred and paid total fees of \$60,119 and \$81,391, respectively.

The Company provided services to a company of which the sole member is also an officer of the Company. For the years ended December 31, 2015 and 2014, the Company recorded sales of \$15,773 and \$15,984, respectively.

As of December 31, 2015 and 2014, the Company has intercompany receivables and payables of \$266,086 and \$71,009, respectively. These transactions are not evidenced by any notes between the companies and are eliminated in the consolidated financial statements.

As of December 31, 2015 and 2014, Company incurred fiber costs totaling \$148,930 and \$161,133, respectively, through Eastern and Intron. Intercompany transactions related to these services are eliminated in the consolidated financial statements.

## T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2015 and 2014

### NOTE N – CONCENTRATIONS

#### Cash

The Company maintains cash balances at various financial institutions. Interest bearing cash accounts are insured by the FDIC up to \$250,000 per depositor. At December 31, 2015, the Company had uninsured cash balances of \$151,119. At December 31, 2014, the Company had no uninsured cash balances. The Company has not experienced any losses from the accounts and management believes the Company is not exposed to significant credit risk related to bank deposit accounts.

#### Suppliers

A portion of the Company's total carrier and other direct costs of service is provided by a limited number of vendors. During the years ended December 31, 2015 and 2014, one vendor accounted for approximately 29% and 32% of related costs, respectively.

### NOTE O – COMMITMENTS AND CONTINGENCIES

#### Litigation

In June 2015, the Company was named as a party to a patent infringement complaint with respect to over-the-counter software purchased in the normal course of business. The Company has filed a third-party complaint against the vendor selling the equipment asking the court to indemnify the Company in any litigation. In the opinion of management, the ultimate outcome is uncertain as of the date for the accompanying consolidated financial statements. Management does not believe the outcome of any asserted or unasserted claims will have a material adverse effect upon the Company's financial position, results of operations, or cash flows.

### NOTE P – RESTATEMENT OF PRIOR PERIOD

Intangible assets at the beginning of 2014 have been adjusted to recognize a correction of an error in the purchase price of a customer list based upon contingent earnings from the previous year. Management has subsequently evaluated and determined that the contingent revenue earnings were incorrectly calculated to include pre-closing revenue triggering additional shares of common stock to be issued. The 2014 consolidated financial statements have been restated. The effect of this restatement on the consolidated financial statements at December 31, 2014 was as follows:

Decrease in intangible assets	\$	17,500
Decrease in common stock	\$	50
Decrease in additional paid-in-capital	\$	17,450

**SUPPLEMENTARY INFORMATION**



T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidating Balance Sheet  
 Year Ended December 31, 2015  
 (with Comparative Consolidated Totals as of December 31, 2014)

	December 31, 2015			2014
	T3 Communications, Inc.	ITVantage	Eliminations	Consolidated Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 846,378	\$ (16,382)	\$ -	\$ 830,000
Accounts receivable, net	366,041	119,900	-	485,941
Other receivables	16,386	-	-	16,386
Employee receivables	897	-	-	897
Due from T3	-	266,086	(266,086)	-
Inventory	7,899	5,255	-	13,154
Prepaid expenses	44,459	7,837	-	52,296
	1,282,160	515,260	(266,086)	1,531,334
<b>Total Current Assets</b>				
	848,983	96,004	-	945,037
<b>PROPERTY AND EQUIPMENT, net</b>				
<b>OTHER ASSETS</b>				
Deposits	62,539	2,710	-	65,239
Goodwill, net	64,577	-	-	64,577
Other intangible assets, net	135,142	-	-	135,142
Deferred tax asset	81,251	-	-	81,251
Investment in ITVantage	393,598	-	(393,598)	-
Other assets	2,333	-	-	2,333
	739,430	2,710	(393,598)	348,542
<b>Total Assets</b>	<b>2,870,573</b>	<b>614,024</b>	<b>(659,684)</b>	<b>2,824,913</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>				
Accounts payable	\$ 458,293	\$ 112,940	\$ -	\$ 571,233
Accrued expenses	66,656	35,292	-	101,948
Federal and state income taxes payable	17,660	-	-	17,660
Due to ITV	266,086	-	(266,086)	-
Deferred revenue	186,161	39,254	-	225,415
Secured unamortizable debentures	-	-	-	300,000
Current portion of notes payable	238,993	9,661	-	248,654
Current portion of capital lease obligations	20,927	3,076	-	24,003
<b>Current Liabilities</b>	<b>1,254,776</b>	<b>200,223</b>	<b>(266,086)</b>	<b>1,188,913</b>
<b>LONG TERM LIABILITIES</b>				
Deferred tax liability	240,897	-	-	240,897
Notes payable, less current maturities	62,998	20,203	-	82,601
Capital lease obligations, less current maturities	32,244	-	-	32,244
	335,539	20,203	-	355,742
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	5,276	70	(70)	5,276
Additional paid in capital	3,781,902	-	-	3,781,902
Accumulated deficit	(2,506,920)	393,528	(393,528)	(2,506,920)
<b>Total Stockholders' Equity</b>	<b>1,280,258</b>	<b>393,598</b>	<b>(393,598)</b>	<b>1,280,258</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>2,870,573</b>	<b>614,024</b>	<b>(659,684)</b>	<b>2,824,913</b>

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidating Statement of Income  
 Year Ended December 31, 2015  
 (with Comparative Consolidated Totals as of December 31, 2014)

	December 31, 2015				2014
	T3 Communications, Inc	IT/Vantage	Ehmanubans	Consolidated Totals	Consolidated Totals
<b>REVENUES</b>					
Recurring Revenue	\$ 1,500,889	\$ -	\$ -	\$ 1,500,889	\$ 1,847,196
Broadband	1,184,483	-	-	1,184,483	995,372
Fiber	207,737	-	-	207,737	348,727
Wireless	311,580	-	-	311,580	292,333
Long distance usage	1,311,255	-	-	1,311,255	1,101,009
Hosted PBX	259,890	-	-	259,890	274,453
Collocation	-	1,584,238	-	1,584,238	1,104,009
Managed services	204,710	-	-	204,710	350,048
CABs	144,573	-	-	144,573	140,408
TDM voice	5,125,117	1,584,238	-	6,709,355	6,453,555
Total Recurring Revenue	23,633	652,463	-	676,096	706,456
Equipment sales	313,042	132,715	-	445,757	686,385
Nonrecurring services	5,461,792	2,369,416	-	7,831,208	7,846,396
Total Revenue	1,630,642	-	-	1,630,642	1,740,051
	226,182	-	-	226,182	266,353
	430,982	-	-	430,982	572,468
	638,587	-	-	638,587	570,450
	46,530	691,723	-	738,253	750,897
	22,915	233,833	-	256,748	256,731
	2,995,838	925,556	-	3,921,394	4,156,950
<b>COST OF GOODS SOLD</b>					
Loop and transport	100,467	37,306	-	137,773	232,500
Usage	73,771	12,508	-	86,279	79,236
Network costs	47,099	16,821	-	63,920	44,153
Network operations	7,118	-	-	7,118	7,305
Equipment costs	228,455	66,635	-	295,090	363,194
Install and customer premise equipment					
Total Cost of Goods Sold					
<b>OPERATING EXPENSES</b>					
Selling					
Salaries					
Commission					
Advertising					
Other					
Total Selling Expenses					

T3 COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidating Statement of Income  
 Year Ended December 31, 2015  
 (with Comparative Consolidated Totals as of December 31, 2014)

	December 31, 2015			2014
	T3 Communications, Inc.	ITVantage	Eliminations	Consolidated Totals
<b>General and Administrative</b>				
Salaries	670,390	785,251	-	1,417,087
Rent	110,328	73,172	-	132,955
Bad debt	229,737	20,892	-	250,629
Professional fees	130,487	26,751	-	157,238
Travel and entertainment	30,174	9,429	-	39,603
Other	227,087	275,551	-	584,736
Total General and Administrative Expenses	1,398,203	1,191,046	-	2,589,249
<b>Total Operating Expenses</b>	1,626,658	1,257,681	-	2,884,339
Income from Operations	839,296	186,179	-	768,018
<b>OTHER INCOME AND (EXPENSE)</b>				
Interest income	-	-	-	307
Other income	7,750	311	-	7,576
Gain on sale of assets	-	4,664	-	572
Interest expense	(43,093)	(1,914)	-	(75,916)
Other expense	-	-	-	(22,318)
Depreciation and amortization	(276,378)	(45,560)	-	(337,364)
Income from Subsidiary	143,680	-	(143,680)	-
	(168,041)	(42,499)	(143,680)	(427,143)
Net Income Before Provision for Income Taxes	671,255	143,680	(143,680)	340,875
Provision for Income Tax Benefit (Expense)	(263,651)	-	-	(118,341)
<b>Net Income</b>	<b>\$ 407,604</b>	<b>\$ 143,680</b>	<b>\$ (143,680)</b>	<b>\$ 222,534</b>

**Schedule 3.8(j)**  
**SETTLEMENTS SINCE LATEST BALANCE SHEET DATE**

On February 27, 2017, the Company settled a litigation that it had against Rossman Realty Group (“Rossman”), a former customer, for \$3,500. The Company had previously sued Rossman for \$12,000 for the early termination penalties specified in its contract after Rossman terminated its agreement early.

**Schedule 3.8(k)**  
**INTERRUPTIONS IN USE OF PROPERTIES**

From time to time the Company experiences certain network outages as a result of events beyond its control. The following major outages have occurred since December 31, 2015.

<u>Date</u>	<u>Description</u>	<u>Details</u>	<u>Affected Customers</u>	<u>Duration:</u>
7/5/2016	Summit Broadband (fiber vendor) Equipment Issue - They had to replace line card	Summit had a bad line card in one of their routers and had to replace it.	Affected T3 customers' data and voice being transported over Summit's fiber.	6 hours
9/12/2016 - 9/19/2016	Summit Broadband Multiple Network Issues	Summit experienced a fiber cut and rerouted our traffic through new equipment in order to get us back up. After rerouting the traffic, customers still had issues with data due to several DDoS attacks happening over Summit's network directed at one of their customers. There were still issues with some customers after that and we worked with the Summit engineers to determine they had a bad MTU setting on one of their links.	Affected T3 customers' data and voice being transported over Summit's fiber.	~72 hours of misc downtime
10/9/2016	Distributed Denial of Service (DDoS) attack	After bringing a customer from previous DDoS attack back online, they were attacked again. We removed the Customer from T3's network for Internet access and have them on Comcast now.	All T3 Internet traffic and some Voice connectivity	0.5 hours
10/11/2016	Power outage affected voice	A power surge tripped a circuit breaker in the downtown data center. The new Metaswitch CFS as well as the link to the backup CFS were both installed on the same circuit in error. After restoring power we made sure all redundant power supplies were on separate breakers.	All T3 Voice Connectivity	0.5 hours
11/16/2016	Florida Power & Light Outage	FPL experienced fiber cut. After repairing they continued to have issues until they rebooted their equipment.	All T3 customers's data and voice transported over FPL Fiber	1.5 hours
11/29/2016	Broadcast storm on Summit Broadband links	While adding redundant links with Summit, they activated a link that was plugged in but not configured correctly and caused a broadcast storm on our network. We contacted Summit immediately after seeing the issue and had them shut the interface back down.	All T3 Voice and some data	0.25 hours
2/7/2017	Voice Outage due to SIP Attack	The Perimeta SBC was overloaded with outbound call attempts due to a SIP attack. We determined the source IP of the attack and blocked it on all edge routers to restore service.	T3 Customers using VoIP for outbound calls	1 hour
2/16/2017	Secureboost Aggregator Failures	The Secureboost aggregators were experiencing random crashes and Multiplied was in the process of troubleshooting. The crashes were not a major issue since the bonds would fail over to the redundant aggregators. On this day however, both aggregators crashed at about the same time causing all Secureboost customers to go down	All SecureBoost customers	0.25 hours

**Schedule 3.9(b)**  
**LEASED REAL PROPERTY**

1. 2401 First Street, Unit 300, Fort Myers, FL 34901.

The Company is a party to that certain "Office Lease Agreement", dated July 15, 2012, with Viking Center, LLC pursuant to which it leases approximately 6,800 gross square feet of floor area. The lease is a net lease with a five-year term, commencing on October 1, 2012 and terminating on September 30, 2017. The Base Rent at the beginning of the lease was \$56,664 per year (\$4,722/mo or approximately \$8.33/sf), but was subject to a 3% increase each year thereafter. In addition to the Base Rent, the Company pays certain taxes, insurance, and Common Area Maintenance charges.

The Company is working diligently to effect the Relocation prior to the expiration of this lease on September 30, 2017. However, it is possible that construction will not be done and/or the move will not be completed before then. In such case, pursuant to Section 25 of the Lease Agreement, the Company will have to pay monthly rent at the holdover rate of 200% of the lease rate in effect prior to the holdover until such time as it vacates the property.

2. The Company is negotiating to enter into a lease for 4,250 square feet of leasable interior office space at 1610 Royal Palm Ave, Fort Myers, FL 33901 in connection with the Relocation. The Contemplated lease will be a 10 year lease that is cancellable after 5 years so long as any unamortized portion of the Landlord's tenant improvement (TI) allowance is reimbursed to the Landlord. It is currently contemplated that the Landlord will provide a TI allowance of \$170,000 of the estimated \$220,000 - \$240,000 of construction expenses. The rent in Year 1 is estimated to be \$8 net per square foot plus Common Area Maintenance (CAM) charges, plus 6% sales tax. In Years 2-10, the rent is estimated to be a 2% escalation from the previous year plus CAM, plus sales tax. It is presently contemplated that there will be a security deposit equal to two month's rent. Any lease entered into by Company in connection with the Relocation is subject to an obligation to obtain prior written approval of such lease by Buyer. Any discussion related to the Relocation in this Schedule and/or the Agreement shall not be construed as Buyer's consent.

**Schedule 3.10**  
**CONDITION OF ASSETS**

1. The data center Fire Suppression System was just inspected by Protective Systems and passed on 4-3-2017. Their recommendations are to watch for a small leak down of gas in the next 12 months. The gauge may be malfunctioning or may have a small bladder leak but nothing was thought to be in immediate need to repair.
2. The Company's AC UPS is in good condition. Gruber Power, the service contract, replaced the batteries earlier this year and a completed a cycle of maintenance. The last test showed that the AC UPS is running at 100% as designed. Gruber recommended that further maintenance for 2017 should include replacing the air filter and load testing twice per year.
3. The Company's DC Power UPS recently went through a load test as well as an inspection and it was suggested that the batteries be replaced in 2017-2018. The current DC load has been significantly reduced in 2017, and the Company believes that the load reduction will allow it to continue through 2017. Gruber Power is also the contracted service company for this equipment. Consideration should be given to replacing this system as part of the Relocation.
4. The Company's Liebert 22 Ton HVAC unit is very old but regularly maintained by United Mechanical. During the last quarterly inspection, air filters were replaced but no major repairs were recommended. However, given the age of the equipment, more significant maintenance may be required sooner rather than later. The Company also has 2-Movin Cool portable units in new condition as a standby in case there are maintenance issues with the Liebert HVAC unit. Consideration should be given to replacing this system as part of the Relocation.
5. The Company's Automatic Transfer Switch (ATS) was tested on 4/28/17 by Morrison Electric, the contracted service company. Morrison recommended that the unit be rebuilt in 2017 to replace some surface corrosion.
6. The Company's Rooftop Generator (180KW) just had a full-service oil change and coolant flush on 2/1/2017. The unit is tested on Friday of every week. The Company keeps a log of the tests and lets it run for approximately 45 minutes each week. The generator is serviced by Metro Power systems and their recommendations moving forward are to replace the cover due to surface rust and to paint the fuel lines that feed up to the belly tank from the storage tank. This is large generator that is affixed to the roof of the current facility. It is unclear at this time, whether this unit will be able to be accommodated at the new facility contemplated by the Relocation. Consideration will need to be given as to whether to install a different generator set up at the new location.

**Schedule 3.11(j)**  
**STATES WHERE STATE TAX MIGHT BE DUE**

During the last three (3) years, the Company has provided services to a de-minimus number of customers outside the state of Florida that theoretically would give rise to certain State sales and other communications taxes being due. However, based on the advice of its outside tax advisors, the Company determined there was no material risk to not becoming a filer for such state taxes. Listed below is a table of the amounts that would have theoretically been due if the Company had become a filer in such states:

		2014	2015	2016	2017 to-date	Totals	
		Totals	Totals	Totals	Totals	Taxable Revenue	Total Tax Amt
<b>GA-Georgia</b>	FCC Reg Fee	\$ -	\$ -	\$ 0.05	\$ -	\$ 11.05	\$ 0.05
	State Sales Tax	\$ -	\$ -	\$ 2.14	\$ -	\$ 51.80	\$ 2.14
	FUSF	\$ -	\$ 0.04	\$ 1.98	\$ -	\$ 11.28	\$ 2.02
	GA USF	\$ -	\$ -	\$ 1.93	\$ -	\$ 53.57	\$ 1.93
	SPL/ED	\$ -	\$ -	\$ 1.07	\$ -	\$ 51.80	\$ 1.07
			\$ -	\$ 0.04	\$ 7.17	\$ -	
<b>IA-Iowa</b>	Local Option Sales Tax	\$ -	\$ -	\$ 0.08	\$ 0.04	\$ 12.47	\$ 0.12
	FCC Reg Fee	\$ 14.16	\$ 4.80	\$ 19.06	\$ 6.30	\$2,510.74	\$ 44.32
	E911 Service Charge	\$ 33.00	\$ 36.00	\$ 27.00	\$ 6.00	\$1,655.42	\$ 102.00
	State Sales Tax	\$ 40.88	\$ 30.03	\$ 30.54	\$ 5.95	\$ 526.52	\$ 107.40
	FUSF	\$ 137.57	\$ 46.55	\$ 191.96	\$ 56.71	\$2,510.74	\$ 432.79
			\$ 225.61	\$ 117.38	\$ 268.64	\$ 75.00	
<b>IL-Illinois</b>	RTA Charge	\$ 0.19	\$ -	\$ 0.19	\$ -	\$ 50.00	\$ 0.38
	County Sales Tax	\$ 0.06	\$ -	\$ -	\$ -	\$ 25.00	\$ 0.06
	FCC Reg Fee	\$ 4.86	\$ 2.20	\$ 0.27	\$ 0.26	\$1,740.23	\$ 7.59
	State Excise Tax	\$ 89.25	\$ 45.98	\$ 7.76	\$ 4.10	\$1,823.38	\$ 147.09
	State IMF	\$ 6.35	\$ 3.29	\$ 0.55	\$ 0.29	\$1,823.38	\$ 10.48
	State Sales Tax	\$ 1.56	\$ -	\$ 1.56	\$ -	\$ 50.00	\$ 3.12
	FUSF	\$ 179.15	\$ 85.20	\$ 13.23	\$ 11.58	\$1,740.23	\$ 289.16
USF	\$ (0.03)	\$ 0.74	\$ 0.98	\$ 0.74	\$ 206.14	\$ 2.43	
		\$ 281.39	\$ 137.41	\$ 24.54	\$ 16.97		\$ 460.31
<b>MI-Michigan</b>	FCC Reg Fee	\$ (0.44)	\$ 2.11	\$ 1.31	\$ -	\$ 706.73	\$ 2.98
	Livingston CO Tech 911	\$ 2.58	\$ 2.58	\$ 1.53	\$ -	\$6,406.40	\$ 6.69
	County 911 Charge	\$ 20.04	\$ 20.04	\$ 11.69	\$ -	\$6,406.40	\$ 51.77
	County 911 Charge	\$ 2.28	\$ 2.28	\$ 1.33	\$ -	\$6,406.40	\$ 5.89
	MI Restruct Mech Fee	\$ 21.18	\$ 19.39	\$ 14.73	\$ -	\$8,344.07	\$ 55.30
	State Use Tax	\$ 230.89	\$ 202.23	\$ 120.81	\$ -	\$9,050.80	\$ 553.93
	State 911 Charge	\$ 2.04	\$ 2.04	\$ 1.19	\$ -	\$6,406.40	\$ 5.27
	State 911 Charge	\$ 0.24	\$ 0.24	\$ 0.14	\$ -	\$6,406.40	\$ 0.62
FUSF	\$ (17.25)	\$ 78.88	\$ 61.75	\$ -	\$ 706.73	\$ 123.38	
		\$ 261.56	\$ 329.79	\$ 214.48	\$ -		\$ 805.83
<b>MN-Minnesota</b>	County Sales Tax	\$ 2.41	\$ 9.27	\$ 9.18	\$ 2.27	\$4,537.03	\$ 23.13
	FCC Reg Fee	\$ (1.58)	\$ 2.60	\$ 2.68	\$ 0.66	\$ 273.47	\$ 4.36
	State Sales Tax	\$ 131.41	\$ 126.73	\$ 126.05	\$ 31.08	\$5,988.22	\$ 415.27
	911/Tele-Relay/Tap Charge	\$ 41.92	\$ 13.35	\$ 12.50	\$ 3.09	\$3,705.00	\$ 70.86
	FUSF	\$ (13.58)	\$ 27.88	\$ 27.68	\$ 6.05	\$ 273.50	\$ 48.03
		\$ 160.58	\$ 179.83	\$ 178.09	\$ 43.15		\$ 561.65
<b>Grand Total</b>							\$2,521.63



**Schedule 3.11(a)**  
**EXTENSION OF TIME TO FILE 2016 FEDERAL & STATE TAX RETURNS**

The Company filed extensions for its 2016 Federal and Florida State tax returns.

The Company made an estimated Federal tax payment for its 2016 tax liability of \$150,000 on 4/18/17 as part of its Federal Extension. The Company filed its final 2016 Tax Return on Form 1120 on 5/1/17 and included an additional payment of \$13,594. All of such payments were made timely.

The Company made estimated Florida state tax payments of \$19,000 in 2016 and made an additional payment of \$1,610 with its FL Tax Return of Form F-1120 return on 4/28/17. All such payments were made timely.

---

**Schedule 3.12**  
**PERMITS**

1. Florida Public Service Commission (PSC) Order Granting Certificate to Provide Alternative Local Exchange Telecommunications Services, dated 11/20/2002 (PSC Order # PSC-02-1606-PAA-TX)
2. Florida Public Services Commission Registration of Intrastate and Interexchange Telecommunications Company (IXC), 7/16/2003 (Docket # 030348-T1)
3. Federal Communications Commission's 214 License granting T3 license to provide long distance and international toll calling (no date identified)

**Schedule 3.13**  
**CONTRACTS AND COMMITMENTS**

3.13(a)(iv) – Contracts or agreements with a Government Body. The following is a list of contracts with municipalities, with the monthly recurring charges and expiration dates:

Account	MRC	Contract Expiration Date
City of Fort Myers	\$ 315.00	8/11/2016
City of Marco Island - Phone	\$1,335.30	9/22/2019
City of Marco Island - Internet	\$ 1,495.00	9/21/2019
City of Marco Island - Raw Water	\$ 950.00	2/24/2020
City of Naples - Data	\$ 1,895.00	10/31/2017
City of Naples - Fleischmann Park	\$ 1,000.00	2/22/2020
City of Naples - Norris Community Center	\$ 1,000.00	2/24/2020
City of Naples - Voice	\$ 1,281.50	12/20/2016
City of Naples - River Park Community Reg	\$ 1,095.00	3/1/2018
City of Naples - Dock	\$ 1,095.00	5/8/2018
City of Naples - Lowdermilk Park	\$ 1,095.00	10/4/2018
City of Naples - Pier	\$ 1,095.00	10/29/2019
City of Naples - Water Plant	\$ 1,095.00	8/7/2017

3.13(vi) – Contracts with employees for fixed compensation in excess of \$100,000/year. Josh Reel, the Company’s CEO, is the only employee with annual compensation in excess of 100,000/year. Under the terms of that certain Amended and Restated Employment Agreement, dated December 2, 2016, Mr. Reel is currently operating under a bifurcated salary structure designed to wind his time with the Company down and provide for an orderly transition to new leadership in two different scenarios (i) the Company is not sold, and (ii) the Company is sold. The salary structure in each case is outlined as follows:

(i) If the Company is not sold:

Period	% of Mthly Time & Attention*	Target Mthly Service Hours	Monthly Salary Level
Effective Date through January 31, 2017 .....	80%	144	\$12,500
From February 1, 2017 until the earlier of (A) four weeks after a new President (or new CEO) commences employment with the Company and (B) August 31, 2017 (such date, the “ <u>Change Date</u> ”).....	50%	90	\$12,500
From the day after the Change Date through the 2-year anniversary of the Change Date (or such other date as may be agreed between the Company and the Executive).....	20%	36	\$4,000

(ii) if the Company is sold:

<u>Period</u>	<u>% of Mthly Time &amp; Attention*</u>	<u>Target Mthly Service Hours*</u>	<u>Monthly Salary Level</u>
Effective Date on which T3 enters into an SPA through the Sale Date.....	80%	144	\$12,500
Sale Date through the 3-month anniversary of the Sale Date .....	80%	144	\$12,500
Day after the 3-month anniversary of the Sale Date through the 6-month anniversary of the Sale Date.....	50%	90	\$8,000
Day after the 6-month anniversary of the Sale Date through the 12-month anniversary of the Sale Date.....	20%	36	\$4,000

Mr. Reel is also eligible for the following bonus compensation and retention payments in the event of a sale of the Company:

- (a) on the Sale Date, a closing bonus in an amount equal to the product of (i) 400,000 multiplied by (ii) (A) the amount by which the final per share consideration realized by T3 shareholders pursuant to the transaction contemplated by the SPA after giving effect to all deductions of the gross proceeds to pay off debt, transaction expense, or other contractual obligations (which shall be determined in good faith by the Board if all of such consideration is not paid in cash) exceeds (B) \$0.35;
- (b) on the Sale Date, a retention payment of \$100,000; and
- (c) within five (5) business days of:
  - (i) the twelve (12) month anniversary of the Sale Date, a further retention payment of \$100,000 (the "Final Retention Payment") provided (A) the Executive continues to provide services to the Company in accordance with this Agreement or any successor agreement as of such anniversary or (B) this Agreement is terminated within such twelve (12) month period upon mutual amicable agreement signed in writing by the Executive and the Company; or
  - (ii) any termination of the Executive by the Company without Cause, or by reason of death or disability, prior to the twelve (12) month anniversary of the Sale Date, the Final Retention Payment.

Mr. Reel also receives a \$500/month taxable car allowance and is eligible for an award of 500,000 warrants of the Company with a strike price of \$0.35/share in the event the Company is not sold.

3.13(ix) – Indemnification Obligations. Under Article VI of the Company’s current By-Laws, the Company has an obligation to indemnify all directors, officers, employees or agents of the Company who was, is, or becomes a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding.

3.13(xii) – Contracts over \$100,000/Year - See Schedule 3.22

**Schedule 3.14**  
**INTELLECTUAL PROPERTY**

13.14(a)(ii): Domain Names

Previous and current company domain names and identities:

Intronsolutions.com  
Intronsolutions.net  
Neosmart.com  
T3com.com  
T3com.net  
Tier3communications.com  
Tier3communications.net  
Caviair.com  
Caviair.net  
Caviair.org

Hosted platform uses the following for customer logins and support:

<https://portal.myt3hosted.com/> (Metaswitch Comm Portal)  
<http://www.t3hosted.com/> (Godaddy Reseller Website)  
<https://t3com.edg.ws> (CDG E-Care)  
<https://noc.t3com.net> (PRTG Network Monitoring and Customer Traffic Graphs)

Product and Service pages:

Myt3hosted.com  
Myt3hosting.com  
Myt3phone.com  
Myt3portal.com  
Myt3fax.com  
Secureboost.com  
Secureboost.net  
Secureboost.info  
Secureboost.org  
Myt3voip.com  
Myt3voip.net  
Myt3mail.net

13.14(a)(iii): Trade Names

T3 Communications  
Intron Solutions

13.14(a)(vi): Software

“Monstro” - is a SQL Database used for customer, provisioning, inventory and support information

“Numbers Database” - is a MySQL database for management of phone numbers

### **Schedule 3.15 LITIGATION**

On June 19, 2015, Patent Asset Licensing, LLC (“PAL” or “Plaintiff”) filed complaints in the U.S. District Court for the Middle District of Florida (the “Court”) against Defendants Bright House Networks, LLC (“BHN”), WideopenWest Finance, LLC and Knology of Florida, Inc. (collectively, “WOW”), YMax Corp. (“YMax”), Birch Communications, Inc. (“Birch”), and T3 Communications, Inc. (“T3”) (collectively, “Defendants”) (together with Plaintiff, “the Parties”), alleging that they infringe claims of U.S. Patent Nos. 7,764,777; 8,155,298; and 8,457,113 (the “patents-in-suit”). The T3 Complaint was assigned Case No. 3:15-CV-747-J-32JBT.

The claims in each complaint allege infringement of U.S. Patent Nos. 7,764,777 (the “777 Patent”); 8,155,298 (the “298 Patent”); and 8,457,113 (the “113 Patent”) (collectively, the “patents-in-suit”). According to PAL, the patents-in-suit “share a common specification and disclose improved systems and methods for applying call features and routing telephone calls across telecommunication networks”. On February 17, 2016, the Court held a preliminary pretrial conference after which it, among other things, consolidated the cases for discovery through the claim construction hearing and requested that the parties submit agreed pretrial deadlines. Thereafter, the Court entered a Case Management and Scheduling Order, which it amended twice at the parties’ request.

On June 23 and 24, 2016, five of the six Defendants submitted petitions for inter partes review to the Patent Trial and Appeal Board (“PTAB”), an administrative law body of the United States Patent and Trademark Office (“PTO”). WOW, Knology, Bright House, and Birch filed a set of four petitions which collectively challenge the validity of all of the asserted patent claims. YMax filed three petitions which challenge the validity of all 12 asserted claims from the ‘777 patent, both asserted claims from the ‘298 patent, and 9 of the 21 asserted claims from the ‘113 patent. YMax’s petitions purportedly rely on different prior art than that relied upon in Defendants’ petitions, thus presenting possible alternative reasons for invalidation. T3 did not file any of the petitions but has agreed to be bound by the litigation estoppel provision of 35 U.S.C. § 315 as if it had filed Defendants’ petitions.

On December 19, 2016, the Patent Office instituted BHN, WOW, and Birch’s IPR challenging the ‘298 patent (IPR2016-01259, -01263). On December 28, 2016, the Patent Office instituted YMax’s IPR challenging the ‘113 patent (IPR2016-01260). On January 3, 2017, the Patent Office instituted YMax’s IPR challenging the ‘777 patent (IPR2016-01258) and BHN, WOW, and Birch’s IPRs challenging the ‘113 patent (IPR2016-01261) and the ‘777 patent (IPR2016-01262). On January 4, 2017, the Patent Office instituted YMax’s IPR challenging the ‘298 patent (IPR2016-01256). The Patent Office has therefore instituted review based on all seven IPR petitions and is considering patentability of every asserted claim in the Actions.

Since January 5, 2017, the date of filing of the Parties’ first Joint Report PAL has submitted its Patent Owner Responses and Motions to Amend certain claims on April 3, 2017, pursuant to the schedule set forth by the Patent Office. Under the current schedule, the Patent Office will issue Final Written Decisions in the IPRs by January 4, 2018.

**Schedule 3.16**  
**EMPLOYEE BENEFITS**

3.16(a) – ERISA Plans.

The Company currently offers participation in a 401K Plan as part of its employee benefits package. The 401K Plan is sponsored by Lincoln Financial Group, and the Third Party Administrator is The Retirement Advantage, Inc.. The Company does not offer any matching contributions to plan participants.

3.16(d) - ERISA Plans subject to Title IV or that provide for medical or life insurance benefits to retirees and former employees or participation in multiemployer plan.

None

**Schedule 3.17  
INSURANCE**

1. Insurance Policies: The Company currently carries the following types of insurance policies. All of these renewed in March 2017 and will expire in March 2018. A summary of the coverage limits, premiums and deductibles can be found on Schedule 3.17(a).
  - a. Business Auto Insurance
  - b. Cyber/Computer Insurance
  - c. Directors and Officers Insurance
  - d. Package – Property, Commercial General Liability, & Employee Benefits
  - e. Umbrella/Excess Liability Insurance
  - f. Workers Compensation

2. Claims History (2014 – 4/24/17)

a) Number of Claims

<u>Insurance Type</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>YTD 2017 (to 4/24/17)</u>
Auto	0	1	0	0
Cyber	0	1	0	0
D&O	0	0	0	0
Package	0	0	0	0
Umbrella	0	0	0	0
Workers Comp	0	1	0	0

b) Dollar Amount of Paid Claims

<u>Insurance Type</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>YTD 2017 (to 4/24/17)</u>
Auto	\$0	\$74.20	\$0	\$0
Cyber	\$0	\$0	\$0	\$0
D&O	\$0	\$0	\$0	\$0
Package	\$0	\$0	\$0	\$0
Umbrella	\$0	\$0	\$0	\$0
Workers Comp	\$0	\$34,969.83	\$0	\$0



**Policy Overview**

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Policy Type	Insurers Company	Policy Number	Policy Period	Policy Cost
Package Business Auto Computers Workers Compensation Excess Liability Directors and Officers	TRAVELERS PROPERTY CASUALTY PHOENIX INS COMPANY TRAVELERS PROPERTY CASUALTY PHOENIX INS COMPANY St. Paul Travelers Insurance Founders Professional	ZLP-41M52460-17-15 BA-1401X721-17-TEC ZPL-14P80938-17-15 HNUB-2982L28-0-17 ZUP-81M53503-17-15 G24378044004	3/11/2017 - 3/11/2018 3/11/2017 - 3/11/2018 3/11/2017 - 3/11/2018 3/11/2017 - 3/11/2018 3/25/2017 - 3/25/2018	21,550.00 3,791.00 10,891.00 10,613.00 7,885.00 7,415.00

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

# Summary of Insurance

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33801  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage	Amount/Limits	Insurance Company	Policy Number	Policy Start Date	Policy End Date	Policy Term
General Aggregate	2,000,000					
Products/Completed Ops Aggregate	2,000,000					
Personal & Advertising Injury	1,000,000					
Each Occurrence	1,000,000					
Fire Damage	300,000					
Medical Expense	10,000					

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**General Liability Classification Schedule**

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Policy No.	Classification	Class Code	Plan Basis	Exposure Term	Aggregate Limit	Per Occurrence Limit	Products
00001	LONG DISTANCE TELE CARRIERS/OFFICE EXPOSURE ONLY	BAACM-001	S	7,775,000			
00001	COMMUNICATIONS EQUIP INSTALL	91551	P	24,000			
00001	Cyber	99969	S	7,775,000			

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

# Commercial Property Premises Schedule

agency: **Lott & Gaylor Inc**  
 2120 W. First St.  
 Fort Myers, FL 33801  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: **T-3 Communications, Inc.**  
 2401 First Street  
 Fort Myers, FL 33801  
 Bus: (239)333-0000  
 www.t3com.com

Location	Building	Address	Building Description
00001		2401 First Street office	
00001	00001	2401 First Street	2401 First Street #300
00002	00001	3719 Central Ave TOWER	3719 Central Ave, TOWER
00003	00001	4425 S Landings Dr/Ariel Condo TOWER	4425 S Landings Dr/Ariel Condo, TOWER
00004	00001	1520 Lee Street SWITCHES	1520 Lee Street, SWITCHES
00005	00001	3825 S Cleveland Ave SWITCHES	3825 S Cleveland Ave, SWITCHES
00006	00001	7461 Winkler Rd SWITCHES	7461 Winkler Rd, SWITCHES
00007	00001	28610 Beaumont Rd SWITCHES	28610 Beaumont Rd SWITCHES
00008		9701 S John Young Pkwy #106 Data/Sie	9701 S John Young Pkwy #106 -Office
00009		990 28th Ave	
00010	00001	10201 Tamiami Trl N	

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

# Summary of Insurance

agency:  
 Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 lgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For:  
 T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverages: Commercial Property, Business Personal Property, Business Interruption, Equipment Breakdown, Fire, Theft, Vandalism, Wind, Hail, Lightning, Earthquake, Flood, Sinkhole, Sewer Backup, Water Damage, Power Failure, Business Auto, Aircraft, Marine, T-3 COMMUNICATIONS, INC. POLICY NUMBER: 207-1111111-1111111

<b>Loc # 00001 Bldg # 00001</b> 2401 First Street office 3rd Floor, FL 33901  <b>Business Personal Property</b> Valuation: Replacement Cost Coins: 80  <b>BI w/ Extra Expense-Blanket</b> Valuation: Replacement Cost Wind  <b>Router</b> Valuation: Replacement Cost  <b>Loc # 00002 Bldg # 00001</b> 3719 Central Ave TOWER Fort Myers, FL 33901 <b>TOWER</b> Valuation: Replacement Cost <b>BI w/ Extra Expense</b>	500,000 5,000 Ded  1,197,932  5% Ded 19,375  25,000 5,000 Ded 59,897			
--	--	--	--	--

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Summary of Insurance**

agency: **Lott & Gaylor Inc**  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: **T-3 Communications, Inc.**  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage	Group/Units	Insured's Control	Policy Number
<b>Loc # 00003 Bldg # 00001</b> 4425 S Landings Dr/ArTel Condo TOWER Fort Myers, FL 33919 <b>TOWER</b> Valuation: Replacement Cost BI w/ Extra Expense	25,000 59,897		
<b>Loc # 00004 Bldg # 00001</b> 1520 Lee Street SWITCHES Fort Myers, FL 33901 <b>Switches</b> Valuation: Replacement Cost BI w/ Extra Expense	80,000 80,000 Lim 191,669		
<b>Loc # 00005 Bldg # 00001</b> 3825 S Cleveland Ave SWITCHES Fort Myers, FL 33901 <b>Switches</b> Valuation: Replacement Cost BI w/ Extra Expense	32,000 32,000 Lim 5,000 Ded 76,668		

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Summary of Insurance**

agency: **Lot & Gaylor Inc**  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 lgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: **T-3 Communications, Inc.**  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage: **Auto/Trn** Insurance Company Policy Number

<p><b>Loc # 00006 Bldg # 00001</b>                  7461 Winkler Rd SWITCHES                  Fort Myers, FL 33919                  Switches</p> <p>Valuation: Replacement Cost                  BI w/ Extra Expense</p>	<p>27,000                  27,000 Lim                  5,000 Ded</p> <p>64,686</p>			
<p><b>Loc # 00007 Bldg # 00001</b>                  28610 Beaumont Rd SWITCHES                  Bonita Springs, FL 34134                  Switches</p> <p>Valuation: Replacement Cost                  BI w/ Extra Expense</p>	<p>38,000                  38,000 Lim                  5,000 Ded</p> <p>91,043</p>			
<p><b>Loc # 00008 Bldg #</b>                  9701 S John Young Pkwy #106 DataSite Orlan                  Orlando, FL 32819                  Business Personal Property</p> <p>Valuation: Replacement Cost                  BI w/ Extra Expense</p>	<p>50,000                  119,793</p>			

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Summary of Insurance**

agency: Lott & Gaylor Inc  
 2120 W. First St  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 lgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Loc #	Bldg #	Amount/Units	Face Company	Policy Number	Policy Per	Term
00009	990 26th Ave Naples, FL 34103 Business Personal Property Valuation: Replacement Cost BI w/ Extra Expense	27,000 64,688				
00010	10201 Tamiami Trl N Naples, FL 34103 Business Personal Property Valuation: Replacement Cost BI w/ Extra Expense	30,000 71,875				

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.



**Summary of Insurance**

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage	Amount/Limits	Policy No.	Policy Period	Company
General Aggregate	1,000,000			
Each Occurrence	10,000 Ded 1,000,000			

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.



# Summary of Insurance

06/22/2017

agency:  
 Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 lgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage Description Policy Limits Policy Number Premium

Coverage Description	Policy Limits	Policy Number	Premium
A. Employee Dishonesty Blanket	50,000/1,000 Ded		
B. Forgery or Alteration	60,000/1,000 Ded		
C. Theft, Disappearance & Destruction Sec 1-Inside the Premises Sec 2-Outside the Premises			
D. Robbery & Safe Burglary Sec 1-Inside:Robbery of Custodians Safe Burglary Sec 2-Outside the Premises			
E. Premises Burglary			
F. Computer Fraud			
G. Extortion Ins Loss Participation			
H. Premises Theft & Robbery Outside Sec 1 - Theft			
I. Robbery Outside Sec 2 - Robbery Outside			
J. Money & Securities Sec 1 - Inside the Premises Sec 2 - Outside the Premises			
K. Other Coverage			

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Summary of Insurance**

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage	Amount/Limit	Insurance Company	Policy Number	Effective Date	Expiration Date
General Aggregate	3,000,000	TRAVELERS COMPANY	2460	01/11/2017	01/31/2018
Employee Benefits	1,000,000				

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

# Summary of Insurance

**agency:** Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33801  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

**For:** T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage	Amount/Limits	Insurance Company	Policy Number	Policy Period	Renewal
Combined single limit	1,000,000	PHOENIX INS. COMPANY	BA5400K71-717E0		
Uninsured motorist BI-single limit	500,000				
Medical Expense	5,000				
PIP-Basic	10,000				
Comprehensive	1,000 Ded				
Collision	1,000 Ded				

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Business Auto Vehicle Schedule**

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3comm.com

Year	Class	Year	Make	Model	VIN	Color	Usage	Location	Value	19764	X	X	X	X	X
00001	00006	2015	FORD	TRANSIT CONNIE	228682		3rd Floor, FL		19,764	X	X	X	X	X	X
00002	00007	2016	FORD	TRANSIT CARGO	A31338		3rd Floor, FL		32,284	X	X	X	X	X	X

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Business Auto Driver Schedule**

agency:  
 Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Policy Number	Driver Name	DOB	License Num	State
0001	Charlie Wallace	3/19/1978	W420-159-78-099-0	FL
0002	Collin Anderson	1/21/1978	A538-110-78-021-0	FL
0003	Falco McPherson	1/2/1988	M216-249-88-002-0	FL
0004	Alex Perichet	11/27/1981	P523-013-81-427-0	FL
0005	Josh Reel	12/23/1967	R400-435-67-463-0	FL
0006	Loren Rosenthal	9/9/1964	R253-525-64-329-0	FL
0007	Deirdre Carrington	12/27/1959	C852-161-59-967-0	FL
0008	Andrew Santos	8/9/1970	S632-003-70-289-0	FL
0009	Christopher Lopez	10/14/1966	L120-100-66-374-0	FL
0010	Edward Weakland	2/27/1989	W245-221-89-067-0	FL
0011	Taylor McCain	11/22/1991	M250-813-91-422-0	FL
0012	Alfonso Ramon		R650-015-77-139-0	FL

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Workers Compensation Premise**

agency: Lot & Gaylor Inc  
2120 W. First St.  
Fort Myers, FL 33901  
(239)337-2221  
(239)337-2221  
lgaylor@lott-gaylor.com  
www.lott-gaylor.com

For: T-3 Communications, Inc.  
2401 First Street  
Fort Myers, FL 33901  
Busc (239)333-0000  
www.t3com.com

Building Description: Building Description

Address: Fort Myers, FL 33901  
Orlando, FL 32819

9701 John Young Pkwy

00001

00002

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.



**Summary of Insurance**

agency: Lott & Gaylor Inc  
 2120 W. First St.  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

Coverage: Workers Compensation  
 Insured: Phoenix  
 Insurer: PHOENIX INS COMPANY  
 Policy Number: HNLB-2881287-1  
 Policy Period: 11/2017 - 31/2018  
 State: FL

Part 1 - Workers Compensation States:			
Part 2 - Employers Liability: WC & Employer's liability	Each Accident Limit: Disease Policy Limit: Disease Each Employee: Deductible: Deductible Type: Applies To:	500,000 500,000 500,000	
Other Coverages: Experience Mod Factor 1 Premium discount Expense constant Increased employer's liability Terrorism Coverage			
Part 3 - Other States Included: Part 3 - Other States Excluded:			

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

# Workers Compensation Rating Schedule

agency: Lott & Gaylor Inc  
 2120 W First St  
 Fort Myers, FL 33901  
 (239)337-2221  
 (239)337-2221  
 dgaylor@lott-gaylor.com  
 www.lott-gaylor.com

For: T-3 Communications, Inc.  
 2401 First Street  
 Fort Myers, FL 33901  
 Bus: (239)333-0000  
 www.t3com.com

State No.	Class	Category	Rate	Emp	Rate	Est	Rate	Emp	Rate
FL/00001	7600	Telephone or Telegraph, All Other Employees	5.93	117,312	6,966.60				
FL/00001	8901	Telegraph Company, Office or Exchange & Cleric	0.39	532,493	2,076.72				
FL/00001	5191	Computer-device installation, insp. service, repair	1.17	IF ANY					
FL/00001	8742	Salespersons	0.51	150,000	765.00				
FL/00001	8810	Clerical	0.26	129,596	336.85				
FL/00002	8901	Telegraph Company, Office or Exchange & Cleric	0.39	IF ANY					
FL/00002	8810	Clerical	0.26	IF ANY					
FL/00002	5191	Computer Device Installation, Service, Repair	1.17	IF ANY					
FL/00002	7600	Telecommunications Co-AOE & Drivers	5.93	IF ANY					
FL/00002	8742	Salespersons	0.51	IF ANY					

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.

**Business Auto Garage Location Schedule**

Printed on 05/07/2017

agency: Lott & Gaylor Inc  
2120 W. First St.  
Fort Myers, FL 33901  
(239)337-2221  
(239)337-2221  
dgaylor@lott-gaylor.com  
www.lott-gaylor.com

For: T-3 Communications, Inc.  
2401 First Street  
Fort Myers, FL 33901  
Bus: (239)333-0000  
www.t3com.com

Policy Number: 70172717-TEC-EO-AM108

00001  
2401 First Street  
3rd Floor, FL 33901

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply.



**ACE EXPRESS Private Company**

**Management Indemnity  
Package**

**Declarations**

This Policy is issued by the stock insurance company listed above ("Insurer").



A Chubb Company

Westchester Fire Insurance Company

THE EMPLOYMENT PRACTICES, DIRECTORS & OFFICERS AND COMPANY, AND FIDUCIARY COVERAGE SECTIONS OF THIS POLICY, WHICHEVER ARE APPLICABLE, COVER ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR, IF ELECTED, THE EXTENDED PERIOD AND REPORTED TO THE INSURER PURSUANT TO THE TERMS OF THE RELEVANT COVERAGE SECTION. THE CRIME COVERAGE SECTION, IF APPLICABLE, APPLIES ONLY TO LOSS DISCOVERED DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED LOSS SHALL BE REDUCED BY AMOUNTS INCURRED FOR COSTS, CHARGES AND EXPENSES UNLESS OTHERWISE PROVIDED HEREIN. AMOUNTS INCURRED FOR COSTS, CHARGES AND EXPENSES AND LOSS SHALL ALSO BE APPLIED AGAINST THE RETENTION AND DEDUCTIBLE AMOUNTS.

TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANING. PLEASE REFER TO THE APPROPRIATE DEFINITIONS SECTIONS OF THIS POLICY.

Policy Number: **G24378044 005** Renewal of: **G24378044 004**

Item A: Parent Company: **T3 Communications, Inc.**

Principal Address:  
2401 1st St Ste 300,  
Fort Myers, FL 33901

Item B: Policy Period: From 03/25/2017 to 03/25/2018  
12:01 a.m. local time at the Principal Address shown in Item A.

Item C: Coverage Section(s):

**EMPLOYMENT PRACTICES**

1. Limit of Liability  
a. \$1,000,000 aggregate for all **Loss**, subject to 1b and 1c immediately below,  
b. \$1,000,000 additional aggregate for all **Costs, Charges and Expenses**, subject to 1c immediately below,  
c. \$2,000,000 maximum aggregate for this Coverage Section.

2. Retention: \$10,000 each **Employment Practices Claim**  
\$10,000 each **Third Party Claim**

3. Continuity Date: 01/19/2010

4. Third Party Coverage  Yes  No

**DIRECTORS & OFFICERS AND COMPANY**

1. Limit of Liability  
a. \$1,000,000 aggregate for all **Loss**, subject to 1b and 1c immediately below,  
b. \$1,000,000 additional aggregate for all **Loss** under Insuring Clause A1, subject to 1c

- 1. One (1) year 110% of the premium
- 2. Two (2) years 112% of the premium
- 3. Three (3) years 115% of the premium

**Item F. Run-Off Period**

As provided in subsection H of the General Terms and Conditions, only one of the above **Discovery Period** options may be elected and purchased.

- 1. One (1) year 100% of the premium
- 2. Two (2) years 125% of the premium
- 3. Three (3) years 150% of the premium

**Item E. Discovery Period**

Taxes & Surcharges Amount: \$0.00  
 Total Amount Due: \$7,415

**Item D. Premium: \$7,415**

Insurance Agreements		Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
1a. Employee Theft	N/A	N/A	N/A
b. Employee Benefit Plan	N/A	N/A	N/A
c. Client Property	N/A	N/A	N/A
2. Forgery Or Alteration	N/A	N/A	N/A
3. Inside The Premises Theft Of Money And Securities	N/A	N/A	N/A
4. Inside The Premises - Robbery Or Safe Burglary Of Other Property	N/A	N/A	N/A
5. Outside The Premises	N/A	N/A	N/A
6. Computer Fraud	N/A	N/A	N/A
7. Funds Transfer Fraud	N/A	N/A	N/A
8. Money Orders And Counterfeit Money	N/A	N/A	N/A

Coverage is provided only if an amount is shown opposite an Insuring Agreement. If the amount is left blank or "Not Covered" is inserted, such Insuring Agreement and any other reference thereto in this **Policy** is deleted.

**CRIME**

- 3. **Continuity Date:**
- 2. Retention: each **Claim**
- 1. Limit of Liability: maximum aggregate for this Coverage Section

**FIDUCIARY**

- 3. **Continuity Date:** 01/19/2006
- 2. Retention: \$0 each **Claim** under Insuring Clause 1, \$10,000 each **Claim** under Insuring Clause 2, \$10,000 each **Claim** under Insuring Clause 3
- c. \$2,000,000 maximum aggregate for this Coverage Section, immediately below

- 4. Four (4) years 120% of the premium
- 5. Five (5) years 122% of the premium
- 6. Six (6) years 125% of the premium

As provided in subsection l of the General Terms and Conditions, only one of the above **Run-Off** **Period** options may be elected and purchased.

Item G Notice under this **Policy** shall be given to:

A. Notice of **Claim, Loss or Wrongful Act**:

Professional Liability Claims  
 PO Box 5119  
 Scranton, PA 18505-0549

First Notices Fax: 215.640.5040 or 1.877.746.4671

General Correspondence Fax: 1.866.635.5688

First Notices Email: [aceclaimsfirstnotice@chubb.com](mailto:aceclaimsfirstnotice@chubb.com)

B. All other notices:

Financial Lines Division  
 Westchester Specialty Group  
 11575 Great Oaks Way, Suite 200  
 Alpharetta, GA 30022

Item H.

Forms attached at **Policy** issuance:

- CC-1K11h (03/14) - Signatures
- PF-15191 (12-08) - ACE EXPRESS Private Company Management Indemnity Package - General Terms and Conditions
- PF-15192 (12-08) - ACE EXPRESS Private Company Management Indemnity Package - Employment Practices Coverage Section
- PF-15193 (12-08) - ACE EXPRESS Private Company Management Indemnity Package - Directors and Officers Coverage Section
- PF-15324 (08-04) - Professional Services Exclusion-Securities Holder Exception
- PF-17182 (06-09) - Amendatory Endorsement - Florida
- PF-18349 (04-05) (DE) - Single Aggregate Limit Of Liability
- PF-28249 (05/10) - Private Company Express Amendatory Endorsement
- PF-30323 (08/10) - Unauthorized Access of Employee Information - EPL
- PF-32767 (02/11) - Major Securities Holder Exclusion
- PF-34215c (03/14) - FLSA and Related Coverage
- PF-35186 (02/12) - Delete Conduct Exclusion - EPL
- PF-42723 (05/14) - Privacy/Unauthorized Collection Exclusion
- PF-46593 (08/15) - Trade or Economic Sanctions Endorsement - Florida
- All-20887a (03/16) - Chubb Producer Compensation Practices & Policies
- All-5X45 (11-96) - Questions About Your Insurance?
- EPLA-P (11/15) - EPL Assist
- ILP 001 01 04 - U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
- PF-45354 (01/15) - Cap on Losses from Certified Acts of Terrorism
- TR-45231 (01/15) - Policyholder Disclosure Notice of Terrorism Insurance Coverage

IN WITNESS WHEREOF, the **insurer** has caused this **Policy** to be signed by its President and Secretary, and countersigned by a duly authorized representative of the **insurer**.

**Schedule 3.22**

**CUSTOMERS AND SUPPLIERS**

1. Top Ten Customers by dollar amount of Annual Revenue:

2015		2016	
Name	Recurring Charges Annualized	Name	Recurring Charges Annualized
HOPE HEALTHCARE SERVICES	\$ 417,185.60	HOPE HEALTHCARE SERVICES	\$ 339,792.40
First Florida Integrity Bank	182,918.32	First Florida Integrity Bank	176,397.36
ROYAL SHELL - 9 - VACATIONS - PRI	167,493.70	ROYAL SHELL	161,691.35
ENCORE BANK, NA	130,586.02	ENCORE BANK, NA	109,835.32
City of Naples	82,105.10	City of Naples	102,070.30
Salus Care, Inc.	56,234.33	City of Marco Island	64,873.80
SPECIALISTS IN UROLOGY	54,183.24	SPECIALISTS IN UROLOGY	52,154.24
AutoTraderGroup.com	49,932.00	AutoTraderGroup.com	49,932.00
City of Marco Island	47,382.47	JOINT IMPLANT SURGEONS OF FLORIDA	47,214.40
FLORIDA'S NATURAL GROWERS	41,100.00	YELLOW CAB/BLUEBIRD TAXI	45,382.60

2. Top Ten Vendors by dollar amount of Annual Spend:

2015		2016	
Name	Annual Charges	Name	Annual Charges
CenturyLink Wholesale and 311208115	1,051,067.53	CenturyLink Wholesale	1,081,202.98
Summit Broadband (formely US Metro)	355,009.07	Summit Broadband (formely US Metro)	356,357.17
Metaswitch	243,070.20	FPL FiberNet	219,800.69
FPL FiberNet	229,551.94	United Healthcare Insurance Company	181,071.58
United Healthcare Insurance Company	174,380.46	Viking Center LLC	102,204.72
Comcast - Fiber	146,428.37	Rogers Towers Attorneys	94,913.05
Verizon Business	114,637.23	Metaswitch	85,159.59
Viking Center LLC	113,780.69	Comcast - Retail	79,983.83
Comcast - Retail	81,755.03	Comcast - Fiber	74,565.61
Travelers	65,455.00	Verizon Business	71,502.88



**Schedule 4.5**

**BROKERAGE (Acquisition Company)**

Vikram P. Grover d/b/a IX Advisors (“IXA”) is broker in connection with Transaction based on that certain Letter Agreement dated July 27, 2017, by and between IXA and the Buyer, as amended.

**Schedule 4.5**

**Financial Ability**

Buyer will have on the Closing Date, sufficient immediately available funds in cash to pay the Purchase Price and all fees and expenses to be paid by Buyer.

**[See attached]**

**Schedule 5.2**  
**ANTICIPATED RELOCATION EXPENSES**

**Move 1610 Royal Palm**

**Data Center Build\***

Engineering Drawings	\$3,500.00
Electrical Drawings	\$8,400.00
CRAC Units	\$25,000.00
Pad Construction	\$20,000.00
Plumbing	\$6,800.00
Sled - Move and Installation	\$30,000.00
Door access	\$5,000.00
Video Recording	\$2,000.00
Fire Suppression	\$20,000.00
Downtown Splicing	\$3,500.00
Metered PDUs	\$6,000.00
Cabling and Mgmt	\$20,000.00
Fiber Install & Splicing	\$25,000.00

**Business Expenses:**

SOC2	\$30,000.00
Cubicles, Desks and chairs	\$25,000.00
Moving Expenses	\$10,000.00

**Move Totals** **\$240,200.00**

The above anticipated expenses related to the Relocation shall be approved by Buyer only after a lease has been entered into by Company, which contains lease terms that are satisfactory to the Buyer and the Company.

**Schedule 4.5**

**Financial Ability**

Buyer will have on the Closing Date, sufficient immediately available funds in cash to pay the Purchase Price and all fees and expenses to be paid by Buyer.

**[See attached]**

**Schedule 5.2**  
**ANTICIPATED RELOCATION EXPENSES**

**Move 1610 Royal Palm**

**Data Center Build\***

Engineering Drawings	\$3,500.00
Electrical Drawings	\$8,400.00
CRAC Units	\$25,000.00
Pad Construction	\$20,000.00
Plumbing	\$6,800.00
Sled - Move and Installation	\$30,000.00
Door access	\$5,000.00
Video Recording	\$2,000.00
Fire Suppression	\$20,000.00
Downtown Splicing	\$3,500.00
Metered PDUs	\$6,000.00
Cabling and Mgmt	\$20,000.00
Fiber Install & Splicing	\$25,000.00

**Business Expenses:**

SOC2	\$30,000.00
Cubicles, Desks and chairs	\$25,000.00
Moving Expenses	\$10,000.00

**Move Totals** **\$240,200.00**

The above anticipated expenses related to the Relocation shall be approved by Buyer only after a lease has been entered into by Company, which contains lease terms that are satisfactory to the Buyer and the Company.

**EXHIBIT A**

**AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
T3 COMMUNICATIONS, INC.,  
a Florida corporation**

[See attached]



FLORIDA DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS

Attached is a form for filing *Articles of Amendment* to amend the articles of incorporation of a *Florida Profit Corporation* pursuant to section 607.1006, Florida Statutes. This is a basic amendment form and may not satisfy all statutory requirements for amending.

A corporation can amend or add as many articles as necessary in one amendment.

- The original incorporators cannot be amended.
- If amending the name of the corporation, the new name must be distinguishable on the records of the Florida Department of State. A preliminary search for name availability can be made through the Division's website at [www.sunbiz.org](http://www.sunbiz.org). You are responsible for any name infringement that may result from your corporate name selection.
- If amending the registered agent, the new agent must sign accepting the appointment and state that he/she is familiar with the obligations of the position.
- If amending/adding officers/directors, list titles and addresses for each officer/director.
- If amending from a general corporation to a professional corporation, the purpose (specific nature of business) must be amended or added if not contained in the articles of incorporation.

**If a section is not being amended, enter N/A or Not Applicable.  
The document must be typed or printed and must be legible.**

Pursuant to section 607.0123, Florida Statutes, a delayed effective date may be specified but may not be later than the 90<sup>th</sup> day after the date on which the document is filed.

<b>Filing Fee</b>	<b>\$35.00</b> (Includes a letter of acknowledgment)
<b>Certified Copy (optional)</b>	<b>\$8.75</b>
<b>Certificate of Status (optional)</b>	<b>\$8.75</b>

Send one check in the total amount made payable to the Florida Department of State.

Please include a letter containing your telephone number, return address and certification requirements, or complete the attached cover letter.

**Mailing Address**  
Amendment Section  
Division of Corporations  
P.O. Box 6327  
Tallahassee, FL 32314

**Street Address**  
Amendment Section  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301

For further information you may call the Amendment Section at (850) 245-6050

CR2E011 (04/15)

**COVER LETTER**

**TO:** Amendment Section  
Division of Corporations

**NAME OF CORPORATION:** T3 COMMUNICATIONS, INC. \_\_\_\_\_

**DOCUMENT NUMBER:** P0600002503 \_\_\_\_\_

The enclosed *Articles of Amendment* and fee are submitted for filing.

Please return all correspondence concerning this matter to the following:

SILVIA QUERALES  
\_\_\_\_\_  
Name of Contact Person  
BOYARMILLER  
\_\_\_\_\_  
Firm/ Company  
2925 RICHMOND AVE., 14TH FLOOR  
\_\_\_\_\_  
Address  
HOUSTON, TEXAS 77098  
\_\_\_\_\_  
City/ State and Zip Code

JOSH@NEXGENCOM.COM  
\_\_\_\_\_  
E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

SILVIA QUERALES \_\_\_\_\_ at ( 832 ) 615-4249 \_\_\_\_\_  
Name of Contact Person Area Code & Daytime Telephone Number

Enclosed is a check for the following amount made payable to the Florida Department of State:

- |   |   |  |  |
|---|---|--|--|
| <input checked="" type="checkbox"/> \$35 Filing Fee | <input type="checkbox"/> \$43.75 Filing Fee & Certificate of Status | <input type="checkbox"/> \$43.75 Filing Fee & Certified Copy (Additional copy is enclosed) | <input type="checkbox"/> \$52.50 Filing Fee Certificate of Status Certified Copy (Additional Copy is enclosed) |
|---|---|--|--|

**Mailing Address**  
Amendment Section  
Division of Corporations  
P.O. Box 6327  
Tallahassee, FL 32314

**Street Address**  
Amendment Section  
Division of Corporations  
Clifton Building  
2661 Executive Center Circle  
Tallahassee, FL 32301



**Articles of Amendment  
to  
Articles of Incorporation  
of**

T3 COMMUNICATIONS, INC.

(Name of Corporation as currently filed with the Florida Dept. of State)

P06000002503

(Document Number of Corporation (if known))

Pursuant to the provisions of section 607.1006, Florida Statutes, this *Florida Profit Corporation* adopts the following amendment(s) to its Articles of Incorporation:

**A. If amending name, enter the new name of the corporation:**

\_\_\_\_\_ *The new name must be distinguishable and contain the word "corporation," "company," or "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.," or the designation "Corp.," "Inc.," or "Co.". A professional corporation name must contain the word "chartered," "professional association," or the abbreviation "P.A."*

**B. Enter new principal office address, if applicable:**  
*(Principal office address **MUST BE A STREET ADDRESS**)*

3463 MAGIC DR., SUITE 355

SAN ANTONIO, TEXAS 78229

**C. Enter new mailing address, if applicable:**  
*(Mailing address **MAY BE A POST OFFICE BOX**)*

3463 MAGIC DR., SUITE 355

SAN ANTONIO, TEXAS 78229

**D. If amending the registered agent and/or registered office address in Florida, enter the name of the new registered agent and/or the new registered office address:**

Name of New Registered Agent

CT CORPORATION SYSTEM

1200 SOUTH PINE ISLAND ROAD

*(Florida street address)*

New Registered Office Address:

PLANTATION

*(City)*

Florida 33324

*(Zip Code)*

**New Registered Agent's Signature, if changing Registered Agent:**

*I hereby accept the appointment as registered agent. I am familiar with and accept the obligations of the position.*

\_\_\_\_\_  
*Signature of New Registered Agent, if changing*





The date of each amendment(s) adoption: \_\_\_\_\_, if other than the date this document was signed.

Effective date if applicable: \_\_\_\_\_  
(no more than 90 days after amendment file date)

**Note:** If the date inserted in this block does not meet the applicable statutory filing requirements, this date will not be listed as the document's effective date on the Department of State's records.

**Adoption of Amendment(s) (CHECK ONE)**

- The amendment(s) was/were adopted by the shareholders. The number of votes cast for the amendment(s) by the shareholders was/were sufficient for approval.
- The amendment(s) was/were approved by the shareholders through voting groups. *The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):*  
  
"The number of votes cast for the amendment(s) was/were sufficient for approval  
by \_\_\_\_\_"  
(voting group)
- The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.
- The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Dated \_\_\_\_\_

Signature \_\_\_\_\_

(By a director, president or other officer – if directors or officers have not been selected, by an incorporator – if in the hands of a receiver, trustee, or other court appointed fiduciary by that fiduciary)

\_\_\_\_\_  
(Typed or printed name of person signing)

\_\_\_\_\_  
(Title of person signing)

**EXHIBIT B**  
**AMENDED AND RESTATED BYLAWS**  
**OF**  
**T3 COMMUNICATIONS, INC.,**  
**a Florida corporation**

[See attached]

**EXHIBIT B**  
**AMENDED AND RESTATED**  
**BYLAWS**  
**OF**  
**T3 COMMUNICATIONS, INC.**  
**(herein referred to as the "Corporation")**

**PREAMBLE**

These Bylaws (these "Bylaws") are subject to, and governed by, the Florida Business Corporation Act (the "FBCA") and the articles of incorporation of the Corporation (the "Articles of Incorporation"). In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the FBCA or the provisions of the Articles of Incorporation, such provisions of the FBCA or the Articles of Incorporation, as the case may be, will be controlling.

**ARTICLE I.**

**CAPITAL STOCK**

**Section 1. Certificates Representing Shares.** The Corporation shall deliver certificates representing shares to which shareholders are entitled in such form as shall be approved by the Board of Directors, or the Corporation may issue uncertificated shares in accordance with the requirements of the FBCA. Each certificate shall bear on its face the statement that the Corporation is organized in Florida, the name of the shareholder to whom the certificate is being issued, the name of the Corporation, the number, class and series of shares issued and the par value or a statement that the shares are without par value. Each certificate shall also contain, on its face or back, all recitations or references required by law. Certificates for shares of the Corporation shall be issued only when consideration for the shares has been fully paid. Such certificates shall be signed by the President or a Vice President and the Secretary or any Assistant Secretary, and may be sealed with the seal of the Corporation or a facsimile thereof. Where any such certificate is countersigned by a transfer agent or registered by a registrar, either of which is other than the Corporation itself or an employee of the Corporation, the signatures of any such President or Vice President and Secretary or Assistant Secretary may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of its issuance. The certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued.

**Section 2. Shareholders of Record.** The Board of Directors of the Corporation may appoint one or more transfer agents or registrars of any class of stock of the Corporation. Unless and until such appointment is made, the Secretary of the Corporation shall maintain, among other records, a stock transfer book, the stubs in which shall set forth the names and addresses of the

holders of all issued shares of the Corporation, the number of shares held by each, the certificate numbers representing such shares, the date of issue of the certificates representing such shares, and whether or not such shares originate from original issues or from transfer. The names and addresses of shareholders as they appear on the stock transfer book shall be the official list of shareholders of record of the Corporation for all purposes. The Corporation shall be entitled to treat the holder of record of any shares of the Corporation as the owner thereof for all purposes, and shall not be bound to recognize any equitable or other claim to, or interest in, such shares or any rights deriving from such shares, on the part of any other person, including (but without limitation) a purchaser, assignee or transferee, unless and until such other person becomes the holder of record of such shares, whether or not the Corporation shall have either actual or constructive notice of the interest of such other person.

**Section 3. Transfer of Shares.** The shares of the Corporation shall be transferable on the stock transfer book of the Corporation by the holder of record thereof, or his duly authorized attorney or legal representative, upon endorsement and surrender for cancellation of the certificates representing such shares. All certificates surrendered for transfer shall be cancelled and no new certificate shall be issued until a former certificate or certificates for a like number of shares shall have been surrendered and cancelled, except that in the case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such conditions for the protection of the Corporation and any transfer agent or registrar as the Board of Directors or the secretary may prescribe. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its sole discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate or certificates alleged to have been lost or destroyed.

## ARTICLE II.

### MEETINGS OF SHAREHOLDERS

**Section 1. Place of Meetings.** All meetings of shareholders shall be held at the principal place of business of the Corporation or at such other place within or without the State of Florida as shall be specified or fixed in the notices or waivers of notice thereof.

**Section 2. Annual Meeting.** Annual meetings of the shareholders shall be held, commencing in 2017, on the first Tuesday of June each year at such hour as may be designated in the notice of the meeting, if such day is not a legal holiday, and if a holiday, then on the first following day that is not a legal holiday. If the annual meeting is not held on the date above specified, the Board of Directors shall cause a meeting in lieu thereof to be held as soon thereafter as convenient, and any business transacted or election held at that meeting shall be as valid as if held at the annual meeting. Failure to hold the annual meeting at the designated time shall not work a termination of the Corporation.

**Section 3. Special Meetings.** Special meetings of the shareholders may be called at any time by the President or the Board of Directors. Special meetings of shareholders may also be called by the Secretary upon the written request of the holders of at least ten percent (10%) of

the outstanding stock entitled to be voted at such meeting, unless the Articles of Incorporation provides for a number of shares greater than or less than ten percent (10%), in which event special meetings of the shareholders may be called by the holders of at least the percentage of shares so specified in the Articles of Incorporation, but in no event shall the Articles of Incorporation provide for a number of shares greater than fifty percent (50%). Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on thereat.

**Section 4. Notice of Meeting.** Written notice of all meetings, stating the place, day and hour of the meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer book of the Corporation, with postage thereon prepaid. Notice for an adjourned meeting is not necessary unless the meeting is adjourned for thirty days or more, in which case, notice of the adjourned meeting shall be given as in the case of any special meeting. Any notice required to be given to any shareholder under any provision of the FBCA, the Articles of Incorporation or these Bylaws need not be given to the shareholder if (1) notice of two consecutive annual meetings and all notices of meetings held during the period between those annual meetings, if any, or (2) all (but in no event less than two) payments (if sent by first class mail) of distributions or interest on securities during a twelve (12) month period have been mailed to that person, addressed at his address as shown on the records of the Corporation, and have been returned undeliverable. Any action or meeting taken or held without notice to such a person shall have the same force and effect as if the notice had been duly given and, if the action taken by the Corporation is reflected in any certificate or document filed with the Florida Department of State, that certificate or that document may state that notice was duly given to all persons to whom notice was required to be given. If such a person delivers to the Corporation a written notice setting forth his then current address, the requirement that notice be given to that person shall be reinstated.

**Section 5. Closing of Transfer Books and Fixing Record Date.** The Board of Directors may fix, in advance, a date as the record date for the purpose of determining shareholders entitled to notice of, or to vote at, any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive any distribution, dividend or the allotment of any rights, or in order to make a determination of shareholders for any other proper purpose. Such date, in any case, shall be not more than sixty (60) days, and in the case of a meeting of shareholders not less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. In lieu of fixing a record date, the Board of Directors may provide that the stock transfer book shall be closed for a stated period, but not to exceed, in any case, sixty (60) days. If the stock transfer book is closed for the purpose of determining shareholders entitled to notice of, or to vote at, a meeting of shareholders, such book shall be closed for at least ten (10) days immediately preceding such meeting.

**Section 6. Voting List.** The officer or agent having charge of the stock transfer book of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof,



arranged in alphabetical order, with the address of, and the number of shares held by, each shareholder, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to the identity of the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. Failure to comply with any requirements of this Article II.6 shall not affect the validity of any action taken at such meeting.

**Section 7. Voting at Meetings.** Any holder of shares of the Corporation entitled to vote shall be entitled to one vote for each such share, either in person or by proxy executed in writing by him or by his duly authorized attorney in fact. Voting on any resolution at the meeting shall be by voice, unless any shareholder demands a ballot vote before the voting begins. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest, including the appointment as proxy of (a) a pledgee, (b) a person who purchased or agreed to purchase, or owns or holds an option to purchase, the shares, (c) a creditor of the Corporation who extended its credit under terms requiring the appointment, (d) an employee of the Corporation whose employment contract requires the appointment, or (e) a party to a voting agreement created under the FBCA. A revocable proxy shall be deemed to have been revoked if the Secretary of the Corporation shall have received at or before the meeting instructions or revocation or a proxy bearing a later date, which instructions or proxy shall have been duly executed and dated in writing by the shareholder.

**Section 8. Quorum of Shareholders.** The holders of a majority of shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, but, if a quorum is not represented, a majority in interest of those represented may adjourn the meeting from time to time, without notice of adjournment other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The vote of the holders of a majority of the shares entitled to vote, and, thus, represented, at a meeting at which a quorum is present, shall be the act of the shareholders' meeting, unless the vote of a greater number is required by law, the Articles of Incorporation or these Bylaws.

**Section 9. Officers.** The President shall preside at, and the Secretary shall keep the records of, each meeting of shareholders. In the absence of either such officer, his or her duties shall be performed by another director or officer of the Corporation appointed at the meeting.

### ARTICLE III.

#### DIRECTORS

**Section 1. Number and Tenure.** The business and affairs of the Corporation shall be managed by a Board of Directors, consisting initially of one (1) member. The number of

members on the Board of Directors may be increased or decreased from time to time by resolution of the Board of Directors, provided that there shall at all times be at least one (1) member of the Board of Directors and no decrease shall have the effect of shortening the term of any incumbent director. Unless sooner removed in accordance with these Bylaws, members of the Board of Directors shall hold office until the next annual meeting of shareholders and until their successors shall have been elected and qualified. Directors need not be shareholders of the Corporation.

**Section 2. Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the entire Board. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of one or more directors by the shareholders. Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual or special meeting of shareholders called for that purpose. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**Section 3. Place of Meeting.** Meetings of the Board of Directors may be held either within or without the State of Florida, at whatever place is specified by the officer calling the meeting.

**Section 4. Regular Meetings.** The Board of Directors shall meet each year immediately following the annual meeting of the shareholders, at the place of such meeting, for the transaction of such business as may properly be brought before it. The Board of Directors may designate other times for the conduct of regular meetings of the Board of Directors. No notice of annual meetings or regular meetings for which the Board of Directors has designated a time need be given to members of the Board of Directors.

**Section 5. Special Meetings.** Special meetings of the Board of Directors may be held at any time upon the call of the President or a director of the Corporation. Notice shall be sent at least three (3) days before the meeting by mail or facsimile transmission to the last known physical address or facsimile number of each director, or by electronic mail to the last known email address of each director so long as electronic delivery confirmation is received. Oral notice may be substituted for such written or electronic notice if given not later than one (1) day before the meeting. Notice of the time, place and purpose of such meeting may be waived in writing before or after such meeting, and shall be equivalent to the giving of notice. Attendance of a director at such meeting shall also constitute a waiver of notice thereof, except where such director attends for the announced purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Except as otherwise herein provided, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**Section 6. Quorum.** A majority of the number of directors fixed by or in the manner provided in these Bylaws, as from time to time amended, shall constitute a quorum for the transaction of business, but a smaller number may adjourn the meeting from time to time until they can secure the attendance of a quorum. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any regular or

special directors' meeting may be adjourned from time to time by those present, whether a quorum is present or not.

**Section 7. Compensation.** Directors as such shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, that nothing contained herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

**Section 8. Removal.** Any and all directors may be removed, either for or without cause, at any special meeting of shareholders by the affirmative vote of a majority of the outstanding shares entitled to vote at elections of directors. The notice calling such meeting shall give notice of the intention to act upon such matter, and if the notice so provides, the vacancy caused by such removal may be filled at such meeting by vote of a majority of the shares represented at such meeting and entitled to vote for the election of directors.

**Section 9. Committees.** The Board of Directors may, by resolution, designate an executive committee and one (1) or more other committees to conduct the business and affairs of the Corporation, to the extent authorized by the resolution and subject to the restrictions of the FBCA. The Board of Directors, by majority vote, shall have the power at any time to change the powers and members of any committee, to fill vacancies and to terminate the existence of any committee. Members of any committee shall receive such compensation as the Board of Directors may from time to time provide. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. Every committee so designated shall keep regular minutes of the proceedings and regularly report the minutes to the Board of Directors.

#### ARTICLE IV.

##### OFFICERS

**Section 1. Officers.** The officers of the Corporation shall be elected by the Board of Directors and shall, at a minimum, consist of a President and a Secretary. The Board of Directors may elect such other officers, including, without limitation, a Chief Executive Officer, a Chairman of the Board, additional Vice Presidents, a Treasurer, and Assistant Secretaries and Assistant Treasurers, and appoint such agents, as it may deem necessary or desirable. All officers shall, unless otherwise removed by the Board of Directors, hold office until their successors are elected and qualified. Any two or more offices may be held by the same person. The salaries of the officers shall be determined by the Board of Directors, and may be altered by the Board from time to time, except as otherwise provided by contract. All officers shall be entitled to be paid or reimbursed for all costs and expenditures incurred in the Corporation's business. The following named persons have been elected by the Board of the Directors of the Corporation as the initial officers of the Corporation and have been elected to the offices set forth opposite their names, to serve until their successors are duly elected and qualified:

Arthur L. Smith	President
Antonio Estrada	Secretary

**Section 2. Vacancies.** Whenever any vacancies shall occur in any office by death, resignation, increase in the number of officers of the Corporation, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall, unless otherwise removed by the Board of Directors, hold office until his successor is chosen and qualified.

**Section 3. Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

**Section 4. Chairman of the Board.** The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned to the Chairman by the Board of Directors or prescribed by these Bylaws.

**Section 5. President.** Subject to the supervisory powers, if any, that may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the principal executive officer of the Corporation, and subject to the control of the Board of Directors, shall, in general, supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the shareholders and, in the absence of the Chairman of the Board, of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed and executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 6. Vice President.** Any Vice President, if there shall be such an officer, may perform the usual and customary duties that pertain to such office (but no unusual or extraordinary duties or powers conferred by the Board of Directors upon the President) and, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to him or her.

**Section 7. Secretary.** It shall be the duty of the Secretary to send any and all required notices of and to attend all meetings of the shareholders and Board of Directors and record correctly the proceedings of such meetings in a book suitable for that purpose. It shall also be the duty of the Secretary to attest with his or her signature and the seal of the Corporation all stock certificates issued by the Corporation and to keep a stock transfer book in which shall be correctly recorded all transactions pertaining to the capital stock of the Corporation. The Secretary shall attest and keep at the registered office of the Corporation the original or a copy of these Bylaws, as they may be amended, and the original of the Articles of Incorporation, as they may be amended. The Secretary shall also attest with his or her signature and the seal of the Corporation all deeds, conveyances or other instruments requiring the seal of the Corporation. The person holding the office of Secretary

shall also perform, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to him or her. The duties of the Secretary may also be performed by any Assistant Secretary.

**Section 8. Treasurer.** The Treasurer, if there shall be such an officer, shall keep such moneys of the Corporation as may be entrusted to his or her keeping and account for the same. The Treasurer shall be prepared at all times to give information as to the condition of the Corporation and shall make a detailed annual report of the entire business and financial condition of the Corporation. The person holding the office of Treasurer shall also perform, under the direction and subject to the control of the Board of Directors, such other duties as may be assigned to him or her. The duties of the Treasurer may also be performed by any Assistant Treasurer.

**Section 9. Delegation of Authority.** In the case of any absence of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board of Directors may delegate some or all of the powers or duties of such officer to any other officer or to any director, employee, shareholder or agent for whatever period of time seems desirable, providing that a majority of the entire Board concurs therein.

## ARTICLE V.

### **INDEMNIFICATION AND INSURANCE**

#### **Section 1. Indemnification of Directors.**

##### **A. Definitions.**

For purposes of this Article:

- (1) "Covered Period" means any time after \_\_\_\_\_, 2017.
- (2) "Expenses" include court costs and attorneys' fees.
- (3) "Official capacity" means
  - (a) when used with respect to a director, the office of director in the Corporation, and
  - (b) when used with respect to a person other than a director, the elective or appointive office in the Corporation held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation, but
  - (c) in both clauses (a) and (b) of this Article V.1(A) subsection 2, such term does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

(4) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

B. **Indemnification where Director has been wholly successful in a Proceeding.** The Corporation shall indemnify a director against reasonable expenses incurred by him in connection with a proceeding in which he is a party because he is or was a director of the Corporation during the Covered Period if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

C. **Indemnification where Director has not been wholly successful in a Proceeding.**

(1) The Corporation shall indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director of the Corporation during the Covered Period, and who does not qualify for indemnification under Article V.1(B), if it is determined, in accordance with the procedure set out in Article V.1(C) subsection 4, that the person:

- (a) conducted himself in good faith;
- (b) reasonably believed:
  - (i) in the case of conduct in his official capacity as a director of the Corporation, that his conduct was in the Corporation's best interest; and
  - (ii) in all other cases, that his conduct was at least not opposed to the Corporation's best interests; and
- (c) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

(2) The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the person did not meet the requirements set forth in Article V.1(C) subsection 1. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

(3) A person may be indemnified under Article V.1(C) subsection 1 against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the proceeding; but if the person is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (a) is limited to reasonable expenses actually incurred by the person in connection with the proceeding and (b) shall not be made in

respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Corporation.

(4) Any indemnification under Article V.1(C) subsection 1 shall be made by the Corporation only upon a determination that indemnification of the director is proper in the circumstances because he has met the applicable standard of conduct. Such determination shall be made:

- (a) by the Board of Directors by a majority vote of a quorum consisting of directors who, at the time of such vote, are not named defendants or respondents in the proceeding;
- (b) if such a quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors, duly designated to act in the matter by a majority vote of all directors (in which designation directors who are named defendants or respondents in the proceeding may participate), such committee to consist solely of one (1) or more directors who, at the time of the committee vote, are not named defendants or respondents in the proceeding;
- (c) by special legal counsel selected by the Board of Directors or a committee thereof by vote as set forth in clauses (a) or (b) of this Article V.1(C) subsection 4, or, if the requisite quorum of all of the directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all of the directors (in which directors who are named defendants or respondents in the proceeding may participate); or
- (d) by the shareholders in a vote that excludes the shares held by directors who are named defendants or respondents in the proceeding.

Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is proper, except that if the determination that indemnification is proper is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (c) of this Article V.1(C) subsection 4 for the selection of special legal counsel. In the event a determination is made under this Article V.1(C) subsection 4 that a director has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

(5) Except to the extent permitted by Article V.1(C) subsection 3, even if a person is or was a director of the Corporation during the Covered Period, such director may not be indemnified under Article V.1(C) subsection 1 in respect of a proceeding:

- (a) in which the director is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the director's official capacity; or

(b) in which the person is found liable to the Corporation.

D. **Court-ordered Indemnification**. A person who is or was a director of the Corporation during the Covered Period may apply to a court of competent jurisdiction for indemnification from the Corporation, whether or not he has met the requirements set forth in Article V.1(C) subsection 1 or has been adjudged liable in the circumstances described by Article V.1(C) subsection 5. If such a director of the Corporation seeks to obtain court-ordered indemnification, the Corporation and its Board of Directors shall cooperate fully with such director in satisfying the procedural steps required therefor.

E. **Advancement of Expenses**. Reasonable expenses incurred by a person who is or was a director of the Corporation during the Covered Period and who was, is, or is threatened to be made, a named defendant or respondent in a proceeding shall be paid or reimbursed by the Corporation at reasonable intervals in advance of the final disposition of the proceeding, and without making any of the determinations specified in Article V.1(C) subsection 4, after receipt by the Corporation of:

- (a) a written affirmation by such director of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article; and
- (b) a written undertaking by or on behalf of such director to repay the amount paid or reimbursed by the Corporation if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article. Such written undertaking shall be an unlimited general obligation of such director but need not be secured and it may be accepted by the Corporation without reference to financial ability to make repayment.

F. **Directors as Witnesses**. The Corporation shall pay or reimburse expenses incurred by a person who is or was a director of the Corporation during the Covered Period in connection with his appearance as a witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding.

G. **Notice to Shareholders**. Any indemnification of or advancement of expenses to a director in accordance with this Section shall be reported in writing to the shareholders of the Corporation with or before the notice or waiver of notice of the next shareholders' meeting or with or before the next submission to shareholders of a consent to action without a meeting and, in any case, within the twelve (12) month period immediately following the date of the indemnification or advance.

H. **Directors' Services to Benefit Plans**. For purposes of this Article, the Corporation is deemed to have requested a director to serve an employee benefit plan whenever the performance by him of his duties to the Corporation also imposes duties on or otherwise involves service by him to the plan or participants or beneficiaries of the plan. Excise taxes assessed on a director with respect to any employee benefit plan pursuant to applicable law are



deemed fines. Action taken or omitted by him with respect to an employee benefit plan in the performance of his duties for a purpose reasonably believed by him to be in the interest of the participants and beneficiaries of the plan is deemed to be for a purpose which is not opposed to the best interests of the Corporation.

**Section 2. Indemnification of Officers, Employees, Agents and Others.**

A. **In General.** The Corporation shall indemnify and advance expenses to any person who is or was an officer of the Corporation during the Covered Period in the same manner and to the same extent as is provided by Article V.1 for a director. Such an officer is entitled to seek indemnification to the same extent as a director pursuant to Article V.1.

B. **Indemnification for Service to Other Enterprises.** The Corporation may, in the discretion of the Board of Directors, indemnify and advance expenses to persons who are or were employees or agents of the Corporation during the Covered Period as well as persons who are not or were not officers, employees, or agents of the Corporation but who are or were, during the Covered Period, serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise to the same extent that it may indemnify and advance expenses to directors under this Article.

C. **Additional Rights to Indemnification.** The Corporation may, at the discretion of the Board of Directors in view of all the relevant circumstances, indemnify and advance expenses to a person who is or was an officer, employee, or agent of the Corporation and who is not a director of the Corporation or a person identified in Article V.2(B) and who is not a director of the Corporation to such further extent, consistent with law, as may be provided by the Articles of Incorporation, by general or specific actions of the Board of Directors, by contract, or as permitted or required by common law.

**Section 3. Continuing Offer; Reliance; Effect of Amendment.** The provisions of this Article are for the benefit of, and may be enforced by, each person who serves or who has served during the Covered Period as a director, officer, employee or agent of the Corporation, and each person identified in Article V.2(B), the same as if set forth in their entirety in a written instrument duly executed and delivered by the Corporation and such person, and constitute a continuing offer to all persons occupying any such position during the Covered Period. The Corporation, by its adoption of these Bylaws, acknowledges and agrees that each such person has relied upon and will continue to rely upon the provisions of this Article in agreeing to serve and serving in any of the capacities referred to above, waives reliance upon, and all notices of acceptance of, such provisions by each such person and acknowledges and agrees that no person occupying any such position at any time during the Covered Period shall be prejudiced in his right to enforce the provisions of this Article in accordance with their terms by any act or failure to act on the part of the Corporation. No amendment, modification or repeal of this Article or any provision hereof shall in any manner terminate, reduce or impair the right of any person who serves or who has served during the Covered Period as a director, officer, employee or agent of the Corporation, or any person identified in Article V.2(B), to be indemnified by the Corporation, nor the obligation of the Corporation to indemnify any such person, under and in accordance with

the provisions of this Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may be asserted so long as such claims arise as a result of such person being a director, officer, employee, agent or person identified in Article V.2(B) during the Covered Period.

**Section 4. Insurance.** The Corporation may purchase and maintain insurance or another arrangement on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of this status as such a person, whether or not the Corporation would have the power to indemnify him against that liability under Article V.1 and Article V.2. If the insurance or other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Corporation would not have the power to indemnify the person only if including coverage for the additional liability has been approved by the shareholders of the Corporation. Without limiting the power of the Corporation to procure or maintain any kind of insurance or other arrangement, the Corporation may, for the benefit of persons indemnified by the Corporation, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Corporation; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Corporation or with any insurer or other person deemed appropriate by the Board of Directors regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or part by the Corporation. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be voidable and shall not subject the directors approving the insurance or arrangement to liability, on any ground, regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

**Section 5. Severability.** The indemnification provided by this Article shall be subject to all valid and applicable laws, including, without limitation, Chapter 607.0850 of the FBCA. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person who serves or who has served during the Covered Period as a director, officer, employee or agent of the Corporation, and each person identified in Article V.2(B), as to expenses, judgments, fines and amounts paid in settlement with respect to any proceeding, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law. If any provision hereof should be held by a court of competent jurisdiction to be invalid, it shall be limited only to the extent necessary to make such provision enforceable, it being the intent of this Article to indemnify each person who serves or who has served during the Covered Period as a director, officer, employee or agent of the Corporation, and each person identified in Article V.2(B), to the maximum extent permitted by law.

## ARTICLE VI.

### **MISCELLANEOUS PROVISIONS**

**Section 1. Amendments.** The Board of Directors shall have the power to amend or repeal these Bylaws or adopt new Bylaws, unless the shareholders in amending, repealing or adopting new Bylaws expressly provide that the Board of Directors may not amend or repeal those Bylaws. The Board of Directors may exercise this power at any regular or special meeting at which a quorum is present by the affirmative vote of a majority of the directors present at the meeting and without any notice of the action taken with respect to the Bylaws having been contained in the notice or waiver of notice of such meeting. Unless the Corporation's Articles of Incorporation or Bylaws adopted by the shareholders provide otherwise as to all or some portion of the Bylaws, the Corporation's shareholders may amend, repeal or adopt Bylaws even though the Bylaws may also be amended, repealed or adopted by the Board of Directors. The shareholders may amend, repeal or adopt new Bylaws at any annual meeting of the shareholders or at any special meeting of the shareholders at which a quorum is present or represented, provided that notice of the proposed alteration or repeal is contained in the notice of such special meeting, by the affirmative vote of a majority of the shares entitled to vote at such meeting and present or represented thereat. The directors shall not amend these Bylaws so as to effect a change in the time or place of the meeting for the election of directors within sixty (60) days before the day on which such meeting is to be held; furthermore, in case of any change of said time or place, notice thereof shall be given to each shareholder in person or by letter mailed to his last known post office address at least twenty (20) days before the meeting is held.

**Section 2. Waiver.** Whenever, under the provisions of any law, the Articles of Incorporation or amendments thereto, or these Bylaws, any notice is required to be given to any shareholders, director or committee member, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Moreover, attendance at any meeting by a shareholder or director shall constitute a waiver of notice of said meeting by such shareholder or director unless such individual attends the meeting for the specific purpose of objecting to the transaction of any business thereat on the ground that the meeting is not lawfully called or convened.

**Section 3. Conference Telephone Meetings.** Meetings of shareholders, directors or any committee thereof, may be held by means of conference telephone or similar communications equipment so long as all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business thereat on the ground that the meeting is not lawfully called or convened.

**Section 4. Action by Written Consent.** Any action required by the FBCA to be taken at any annual or special meeting of the shareholders of the Corporation, or any action which may be taken at any annual or special meeting of the shareholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take

such action at a shareholders meeting at which all shares entitled to vote thereon were present and voted. Additionally, any action required by the FBCA to be taken at any annual or special meeting of the Board of Directors, or any action which may be taken at any annual or special meeting of the Board of Directors, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the number of Directors having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of the Board of Directors at which all Directors entitled to vote thereon were present and voted.

**Section 5. Offices.** The principal office of the Corporation shall be located in San Antonio, Texas unless and until changed by resolution of the Board of Directors. The Corporation may also have offices at such other places as the Board of Directors may from time to time designate or as the business of the Corporation may require.

**Section 6. Resignations.** Any director or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

**Section 7. Seal.** The seal of the Corporation shall be such as from time to time may be approved by the Board of Directors, but the use of a seal shall not be essential to the validity of any agreement entered into by the Corporation, unless otherwise provided by law.

**Section 8. Fiscal Year.** The fiscal year of the Corporation shall end at the close of business on the 31st day of December in each year.

**Section 9. Books and Records.** The Corporation shall maintain those books and records as provided by statute and as it may deem necessary or desirable. All books and records provided for by statute shall be open to inspection of the shareholders from time to time and to the extent expressly provided by statute, and not otherwise. The members of the Board of Directors may examine all such books and records at all reasonable times.

**Section 10. Integration.** These Amended and Restated Bylaws supersede, integrate and cancel any and all prior bylaws of the Corporation.

**[THE REMINDER OF THIS DOCUMENT INTENTIONALLY LEFT BLANK]**

The undersigned hereby executes these Bylaws and confirms that these Bylaws were approved and adopted by the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_, 2017.

By: \_\_\_\_\_  
Arthur L. Smith, *President*

**EXHIBIT C**  
**OFFICERS AND DIRECTORS**  
**OF**  
**T3 COMMUNICATIONS, INC.,**  
**a Florida corporation**

Name	Title
Arthur L. Smith	President
Antonio Estrada	Secretary
Arthur L. Smith	Sole Director

**EXHIBIT D**

**FORM OF TRANSMITTAL LETTER**

[See attached]

## EXHIBIT D

### LETTER OF TRANSMITTAL

THIS FORM SHOULD BE COMPLETED, SIGNED AND SENT TO **T3 COMMUNICATIONS, INC.**, (THE "**COMPANY**," AND, FOLLOWING THE CLOSING OF THE MERGER AGREEMENT DEFINED BELOW, THE "**SURVIVING COMPANY**"), AT THE ADDRESS STATED BELOW, TOGETHER WITH YOUR CERTIFICATE(S) FORMERLY REPRESENTING SHARES OF STOCK OF T3 COMMUNICATIONS, INC ("**COMPANY STOCK**"). PLEASE REVIEW THE INSTRUCTIONS THAT ACCOMPANY THIS FORM.

To: T3 Communications, Inc.  
2401 First Street, Suite 300  
Fort Myers, Florida 33901  
Attention: Mr. Josh Reel, Chief Executive Officer  
j.reel@t3com.net

With a Copy To: BoyarMiller  
2925 Richmond Avenue, 14<sup>th</sup> Floor  
Houston, Texas 77098  
Attention: Steve Kesten  
skesten@boyarmiller.com

FOR ASSISTANCE CONTACT Jennifer Crisp at (239) 333-3021.

Ladies and Gentlemen:

Pursuant to an Agreement and Plan of Merger (the "**Merger Agreement**"), to be consummated by and among the Company, Shift8 Technologies, Inc. ("**Buyer**"), T3 Acquisition, Inc. ("**Acquisition Company**") and Stuart Conrad ("**Shareholders Representative**") as the initial representative of the Shareholders of the Company (the "**Shareholders**"), such Shareholders are entitled to receive their allocable portion of the Purchase Price and the Remainder Cash, each as defined in the Merger Agreement; provided such Shareholder complies with the applicable conditions set forth in the Merger Agreement necessary to receive such Purchase Price and the Remainder Cash. Capitalized terms not defined herein and defined in the Merger Agreement have the meaning given to such terms in the Merger Agreement. By executing this Letter of Transmittal, the undersigned Shareholder agrees to be bound by the terms and provisions of the Merger Agreement as a Shareholder, a true and correct copy of which Merger Agreement has been delivered to Shareholder.

The undersigned Shareholder hereby delivers to the Company, or the Surviving Company, if occurring after the Closing of the Merger, the certificate(s) or instrument(s) described below representing all of the Company Stock owned by the Shareholder, each such certificate to be transferred or exchanged for the right to receive the Shareholder's allocable portion of the Purchase Price and the Remainder Cash determined pursuant to the Merger Agreement. The undersigned Shareholder agrees that payment(s) made, if any, to such Shareholder pursuant to the Merger Agreement shall, and does hereby, fully and irrevocably acquit, release and discharge the Company and the Surviving Company from any and all payment obligations owing now or in the future (except with respect to any amounts payable to such Shareholder as provided in the Merger Agreement) to the undersigned in respect of any Company Stock held by the undersigned, including, without limitation, any and all rights to receive any dividends whether accrued or to be paid in the future with respect to such Company Stock. Further, in consideration of this Letter of Transmittal and the Merger Agreement, the undersigned Shareholder, on behalf of itself, himself or herself and such Shareholder's affiliates (other than, for the avoidance of doubt, the Company and the Surviving Company), executors, heirs, legal representatives, successors (whether pursuant to testamentary disposition, the laws of descent and distribution or otherwise) and permitted assigns (any of the foregoing, a "**Shareholder Releasing Party**") hereby releases and forever discharges, effective as of the Closing Date, the Company, Buyer and the Surviving Company, and each of their respective officers, managers, directors, employees and representatives (each, a "**Shareholder Released Party**") from any and all claims, liabilities or obligations of any nature (whether known or unknown,



suspected or unsuspected, absolute or contingent, liquidated or unliquidated, due or to become due, accrued, fixed or otherwise) which have been or could have been or could be asserted against any Shareholder Released Party, which such Shareholder Releasing Party has or ever had or may have, arising out of or in any way relating to events, circumstances, actions or omissions, occurring, existing or taken prior to or as of the Closing Date with respect to matters relating to the Company; provided, however, that the undersigned Shareholder acknowledges and agrees that this paragraph does not apply to and shall not constitute a release of (a) any rights or obligations arising under this Letter of Transmittal or the Merger Agreement, (b) if the undersigned Shareholder is an employee of the Company or the Surviving Company, rights under any Company benefit plan (other than as it relates to the provision of equity or equity-based compensation or other forms of incentive or deferred compensation) or rights to earned but unpaid wages or compensation, unpaid vacation and unreimbursed business expenses, (c) rights to indemnification under any of the organizational documents of the Company existing as of the Closing Date or of the Surviving Company, (d) rights to insurance coverage for claims against the undersigned Shareholder in his or her capacity as an officer, director, employee or manager of the Company arising prior to the Closing under policies held by the Company that would cover such claims, and (e) any claims that cannot be released as a matter of law.

The Shareholder acknowledges that each Shareholder is liable in respect of potential indemnification obligations, subject to limits, as provided in the Merger Agreement.

The Shareholder acknowledges that he, she or it will not be entitled to any consideration in the event that the Merger contemplated by the Merger Agreement is not consummated and that, in such event, the Company stock certificate(s) enclosed herein shall be returned to the Shareholder.

Submission of the certificate(s) described below is subject to the terms, conditions and limitations set forth in the Merger Agreement and in the additional materials included herewith. All authority herein conferred or agreed to shall survive the death or incapacity of the Shareholder, and all obligations of the Shareholder hereunder shall be binding upon his or her heirs, personal representatives, successors and assigns.

#### **STOCKHOLDER REPRESENTATIONS AND WARRANTIES**

The Shareholder hereby represents and warrants that:

- (a) the Shareholder is the record and beneficial owner of the Company Stock evidenced by the Certificate(s) set forth herein or described in an affidavit of lost certificate, free and clear of any Liens;
- (b) the execution, delivery and performance of this Letter of Transmittal by the Shareholder has been duly and validly authorized by all necessary actions, and this Letter of Transmittal constitutes the legal, valid and binding agreement of the undersigned, enforceable against the Shareholder in accordance with its terms; and
- (c) except for shares of Company Stock evidenced by the Certificate(s) set forth herein (or affidavit of lost certificate, if applicable) or that may be evidenced by additional Letters of Transmittal submitted by the Shareholder, the Shareholder does not own or have any right to acquire any additional shares of Company Stock and/or other shares of capital stock of the Company.

The Shareholder hereby agrees to defend, indemnify and hold the Buyer and the Surviving Company harmless from and against any Loss, directly or indirectly, resulting from, relating to, or arising out of the breach of any representation or warranty of Shareholder contained herein.

**PLEASE READ CAREFULLY THE ACCOMPANYING INSTRUCTIONS**

CERTIFICATE(S) SURRENDERED  
(Attach List if Necessary)

Name(s) and Address of Registered Holder(s) (Please fill in exactly as Name(s) appear(s) on Certificate(s))	Certificate Number(s)	Number and Type of Shares Represented by Certificate
---	--------------------------	---

DELIVERY INSTRUCTIONS  
(See Instructions 2 and 3)

Please specify below the name and social security number or federal tax identification number of the record owner of the shares of Company Stock surrendered hereby, and the address to which such holder's check should be mailed or routing and account number to which such holder's payments should be wire transferred. All checks will be issued in the name(s) and delivered to the address(es) specified below and the account to which any wire transfer is made must be in the name(s) specified below. **Please note that checks and wire transfers will only be issued in the name of the person or entity named as the record owner on each certificate representing Company Stock surrendered hereby.**

NAME OF STOCKHOLDER(S)/OWNER(S):

Individual/Entity Name(s) (Please Print)

Social Security or Federal Tax ID Number

CHOOSE DELIVERY METHOD:

Name (Please Print)

PLEASE DELIVER MY CHECK TO:

Address

PLEASE WIRE TRANSFER MY FUNDS TO:

Account No.

Bank

Name:

ABA Routing #

The Shareholder will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the transfer of the Company Stock surrendered hereby.

Please sign and date this Letter of Transmittal and these delivery instructions below. Please note that signature(s) of registered holder(s) must be **EXACTLY** the same as the name(s) set forth as record owners on the Company Stock certificates surrendered hereby. If signed by an agent, see Instruction 2. **THE SURVIVING COMPANY CANNOT PAY YOU FOR YOUR SHARES UNTIL THIS LETTER OF TRANSMITTAL AND THE CERTIFICATES REPRESENTING THE SHARES (OR AFFIDAVIT OF LOST, STOLEN OR DESTROYED CERTIFICATE) HAVE BEEN EXECUTED AND DELIVERED TO THE COMPANY OR THE SURVIVING COMPANY, IF AFTER THE CLOSING.**

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_, 2017

Title (if applicable): \_\_\_\_\_

Signature of other Owner (if held jointly): \_\_\_\_\_  
Signature of Spouse (if individual Owner): \_\_\_\_\_

Date: \_\_\_\_\_, 2017  
Date: \_\_\_\_\_, 2017

**FORM 1**  
**IRS FORM W-9**

**FORM 2**

**CERTIFICATE OF NON-FOREIGN STATUS  
Individuals' Certification**

Section 1445 of the Internal Revenue Code of 1986, as amended, provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required in connection with the transactions contemplated by that certain Merger Agreement, dated May 8, 2017, by and among Shift8 Technologies, Inc., T3 Acquisition, Inc., T3 Communications, Inc. and Stuart Conrad, as the shareholders representative, I, \_\_\_\_\_, hereby certify, under penalties of perjury, the following:

1. I am not a nonresident alien for purposes of U.S. income taxation;
2. My U.S. tax identification number (social security number) is \_\_\_\_\_; and
3. My home address is: \_\_\_\_\_  
\_\_\_\_\_

I understand that this certification may be disclosed to the Internal Revenue Service and that any false statement I have made herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete.

Date: \_\_\_\_\_, 2017

By: \_\_\_\_\_

Name: \_\_\_\_\_

FORM 3

CERTIFICATE OF NON-FOREIGN STATUS

Entity Certification

(to be completed and signed on behalf of each Shareholder which is an entity.)

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445 of the Code), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required in connection with the transactions contemplated by that certain Merger Agreement, dated May 8, 2017, by and among Shift8 Technologies, Inc., T3 Acquisition, Inc., T3 Communications, Inc. and Stuart Conrad, as the shareholders representative, the undersigned hereby certifies the following on behalf of \_\_\_\_\_ ("Shareholder"):

1. Shareholder is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and Income Tax Regulations);
2. Shareholder is not a disregarded entity as defined in Treasury Regulation Section 1.1445-2(b)(2)(iii);
3. Shareholder's U.S. employer identification number is \_\_\_\_ - \_\_\_\_\_ ; and
4. Shareholder's office address is: \_\_\_\_\_.

Shareholder understands that this certification may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Shareholder.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017



0

(6) If the Shareholder should find or recover the Original Certificate, the Shareholder will immediately surrender it to the Corporation for cancellation without requiring any consideration therefor.

(7) The Shareholder agrees in consideration of compliance with the foregoing requests by the Corporation to indemnify and protect the Corporation from any and all liabilities, loss, damage or expense to which the Corporation may be subjected by reason of the loss of the Original Certificate, including claims by any person claiming ownership of the Original Certificate or shares of Corporation's stock represented thereby.

*[SIGNATURE PAGE FOLLOWS]*





## INSTRUCTIONS

1. **Completion and Delivery of Letter of Transmittal.** The Letter of Transmittal must be properly completed and signed by the registered holder(s) of the Company Stock being surrendered herewith, and mailed or hand delivered with the certificate(s) for such shares (or an affidavit of lost certificate) and any other documents required by Instruction 3 to the Company, or to the Surviving Company, if after the Closing, at the address set forth in the Letter of Transmittal. The Company, or the Surviving Company, if after the Closing, may by subsequent notice change the designated recipient and address, for any Letters of Transmittal not already sent to it. If additional space is needed for listing certificates, attach a separate signed sheet. **A return Federal Express envelope with prepaid label is enclosed for your convenience.**

**THE METHOD OF DELIVERY OF THIS DOCUMENT AND ANY ENCLOSURES IS AT THE ELECTION AND RISK OF THE STOCKHOLDER. THE RETURN FEDERAL EXPRESS ENVELOPE AND LABEL HAVE BEEN PROVIDED SOLELY AS A CONVENIENCE, ON THE ASSUMPTION THAT FEDERAL EXPRESS OR OTHER COURIER SERVICE WILL RESULT IN FASTER RETURN TO THE COMPANY. BUT NEITHER THE COMPANY NOR THE SHAREHOLDERS REPRESENTATIVE HAS PURCHASED INSURANCE OR OTHER PROTECTION FOR YOUR BENEFIT IF YOU USE THE ENCLOSED FEDERAL EXPRESS ENVELOPE AND LABEL, OR IF YOU USE ANY OTHER COURIER SERVICE OR OTHER METHOD OF RETURN AND THE RISK IN TRANSIT IS YOURS. IF THIS DOCUMENT IS SENT BY MAIL, THE USE OF REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED BECAUSE THE RISK OF LOSS IN TRANSIT IS YOURS.**

All questions as to validity, form and eligibility of any surrender of any certificate representing shares of Company Stock hereunder will be determined by the Company, or the Surviving Company, if such determination is made after the Closing, and such determination shall be final and binding. The Company and the Surviving Company reserve the right to waive any irregularities or defects in the surrender of any certificate(s) representing shares of Company Stock. A surrender will not be deemed to have been made until all irregularities have been cured or waived.

2. **Signing Letter of Transmittal.** If this Letter of Transmittal is signed by the registered holder(s) of Company Stock surrendered hereby, the stockholder's name on the Letter of Transmittal must be signed in EXACTLY the same manner as the name appears on the certificate(s) surrendered herewith. If the shares of Company Stock are registered in the name of a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must indicate his or her capacity when signing. If certificates are registered in different forms of a name (e.g., "John Doe" and "J. Doe"), the stockholder should sign as many Letters of Transmittal as there are different registrations. If a certificate is registered in the name of two or more holders, each such holder must sign.

If the Letter of Transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, and such person is not the registered stockholder, he or she must indicate the capacity when signing and must submit proper evidence of his or her authority to act.

3. **Deliveries by the Buyer through the Surviving Company.** For those Shareholders electing payment via wire transfer, funds representing payment for the shares of Company Stock surrendered hereby, will be wire transferred to such Shareholders pursuant to the instructions set forth in the Delivery Instructions set forth in the Letter of Transmittal. For those Shareholders not electing to receive a wire transfer, checks representing payment for the shares of Company Stock surrendered hereby, will be mailed to the address indicated in the Delivery Instructions set forth in the Letter of Transmittal.

4. **Timing.** Each Shareholder is urged to submit this Letter of Transmittal to the Company by delivery of same to the Company at its address set forth above as soon as possible. No payments will be

made to a Shareholder until all of the documents required by this Letter of Transmittal with respect to that Shareholder are received by the Company (or by the Surviving Company, if received after the Closing). If you wish to receive payment at the earliest possible time (which should occur shortly following the Closing of the Merger, which Closing is currently expected to be on or shortly after July 14, 2017), this Letter of Transmittal and all required documents should be in the Company's possession **no later than May 18, 2017**.

**5. Lost or Stolen Certificate.** If your certificate for Company Stock is lost or stolen, complete and execute this Letter of Transmittal and return it with a completed affidavit in the form attached hereto as **Form 4** regarding the lost or stolen certificate in the form sent to you with this Letter of Transmittal. After you have completed all such documents to the Company's satisfaction, and returned them to the Company, and in exchange therefor provided the Closing of the Merger has occurred, the Company (acting through the Surviving Company) will make payment for the shares of Company Stock registered in the Company's stock transfer records and represented by the lost certificate.

**6. Withholding.** Under the federal income tax law, a person surrendering certificate(s) must provide his or her correct taxpayer identification number (TIN) and certify that such TIN is correct by completing the IRS Form W-9 included herewith as **Form 1**. If the correct TIN is not provided, a \$50.00 penalty may be imposed by the Internal Revenue Service and any cash payments made may be subject to backup withholding of 31%. Withholding also is required in certain other circumstances—e.g., if the Internal Revenue Service notifies the recipient that he or she is subject to backup withholding as a result of a failure to report all interest and dividends. The TIN that must be provided is that of the registered holder of the certificate(s) or of the last transferee appearing on the transfers attached to or endorsed on the certificate(s). The TIN for an individual is his or her social security number. For further information concerning backup withholding and instructions for completing the Form W-9 (including how to obtain a TIN if the holder does not have one and how to complete the Form W-9 if the securities are held in more than one name), consult the enclosed "General Instructions" included with the Form W-9.

Certain holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. Exempt holders should still complete the Form W-9 to avoid possible erroneous backup withholding. Exempt holders should furnish their TIN in Part I of the Form W-9 and sign, date and return the Form W-9 to the Company. See the enclosed "General Instructions" included with the Form W-9 for additional instructions. Foreign individuals, trusts, partnerships and corporations not engaged in a U.S. trade or business may qualify as exempt persons by submitting an IRS Form W-8, signed under the penalties of perjury, certifying their foreign status. If IRS Form W-8 is not sent to you with the Letter of Transmittal, it may be obtained from the Company or from any Internal Revenue Service Office.

Stock in the Company may be considered a U.S. real property interest if the Company could be considered a "United States real property holding corporation" based on the fair market value of its real property interests in certain other assets. If stock of the Company were determined to be a U.S. real property interest, a tax equal to 10% of the amount payable to a Shareholder must be withheld and paid over to the IRS under Section 1445 of the Internal Revenue Code. Withholding is not required if each Shareholder furnishes his, her or its certification, under penalties of perjury, that the Shareholder is not a foreign person and that includes the Shareholder's U.S. taxpayer identification number (Social Security number for an individual or Federal Employer Identification Number for an entity) and the Shareholder's address (home address for an individual or office address for an entity). To avoid the possibility of 10% withholding under Section 1445, you must complete, sign and return the Certification of Non-Foreign Status. If you are an individual Shareholder, complete and sign the Individual Certification (in respect of shares held by two or more individuals jointly, each must complete and sign an Individual Certification) included herewith as **Form 2**. If you are an entity Shareholder (corporation, limited liability company, partnership, trust or estate), complete and sign the Entity Certification included herewith as **Form 3**; provided, however, if you are an entity that is disregarded for federal income tax purposes (a single-member limited liability company or a grantor trust), the individual who is the owner and taxpayer with respect to the disregarded entity must complete and sign the Individual Certification and print below his or

her signature that it is completed for the entity Shareholder (identified by name) and that the entity Shareholder is a disregarded entity for federal income tax purposes.

The Company will make any applicable withholdings and payments to the IRS in order to comply with the referenced laws and regulations.

7. **Miscellaneous.** Neither the Company, the Buyer nor the Surviving Company is or will be under any duty to give notification of defects in any Letter of Transmittal and shall not incur any liability for failure to give such notification. The Buyer has, and the Surviving Company will have, the absolute right to reject any and all Letters of Transmittal not in proper form or to waive any irregularities in any Letter of Transmittal.

8. **Additional Copies.** Additional copies of the Letter of Transmittal may be obtained from the Company, or from the Surviving Company, if after the Closing, at the address set forth on the front hereof.

**EXHIBIT E**

**FORM OF NON-COMPETE AND CONFIDENTIALITY AGREEMENT**

[See attached]

**EXHIBIT E**

**NON-COMPETE AND CONFIDENTIALITY AGREEMENT**

This NON-COMPETE AND CONFIDENTIALITY AGREEMENT (this "Agreement"), dated as of the \_\_\_ day of \_\_\_\_\_, 2017, is by and between T3 Communications, Inc., a Florida corporation (the "Company," and sometimes referred to herein as the "Surviving Company"), and \_\_\_\_\_ ("Shareholder").

WITNESSETH:

WHEREAS, concurrently with the execution of this Agreement, Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), acquired all of the Company's business and assets of every description by effecting a merger (the "Merger") of T3 Acquisition Inc., a Florida corporation, with and into the Company, resulting in the Company being the surviving entity and thereafter a wholly-owned subsidiary of Buyer, all as more specifically provided in and subject to that certain Agreement and Merger Agreement dated as of \_\_\_\_\_, 2017 (the "Merger Agreement");

WHEREAS, this Agreement shall become effective as of the closing of the transactions contemplated by the Merger Agreement;

WHEREAS, immediately prior to the Merger, Shareholder owned a portion of the issued and outstanding shares of common stock of the Company;

WHEREAS, in connection with the Merger, Shareholder has received substantial consideration;

WHEREAS, the Company desires to be assured that the confidential information and goodwill of the Company will be preserved for the exclusive benefit of the Surviving Company; and

WHEREAS, the business of the Company is to provide voice or data communications services and solutions for business customers, including, without limitation, cloud based hosted PBX, ISP, voice and data, broadband and metro Ethernet, and co-location and disaster recovery; provided, however, participating as an owner in a data or collocation center shall not be deemed to be included in the definition of "Business" so long as the Shareholder does not have an operating role in such data or collocation center business (the "Business");

WHEREAS, the Company and Shareholder are entering into this Agreement for the purpose of preserving the proprietary rights, going business value and goodwill of the Business for the benefit of the Company by assuring that Shareholder does not use any nonpublic, confidential and proprietary information relating to the Business and/or any experience, expertise and personal contacts to compete with the Business and the Company after the date hereof, except as permitted by this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the monetary consideration hereinafter stated, the Company and Shareholder hereby covenant and agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Merger Agreement. In addition to the terms defined elsewhere in this Agreement, unless the context shall expressly or by necessary implication indicate to the contrary, as used herein, the following terms shall have the following meanings:

(a) "Customer" means any person or entity which has purchase or ordered goods, products or services from the Company and/or entered into any contract for products or services with the Company within the one (1) year period preceding the Closing Date.

(b) "Prospective Customer" means any person or entity which has evidenced an intention to order products or services from the Company or with whom the Company has had material contact and discussions regarding the ordering of products or services from the Company within the one (1) year period preceding the closing of the Closing Date.

(c) "Restricted Territory" means the State of Florida and Texas.

(d) "Term" means the period commencing on the date of the closing of the Merger Agreement (the "Closing Date") and ending five years thereafter.

2. Non-Competition; Non-Solicitation.

(a) During the Term, Shareholder shall not directly or indirectly, own, manage, engage in, operate, control, work for as an employee, consult with, render services to or for, do business with or participate in a business that is competitive with the Business of the Company in the Restricted Territory. Notwithstanding anything herein to the contrary, Shareholder may hold passive investments in any enterprise the shares of which are publicly traded if such investment constitutes less than two percent (2%) of the equity of such enterprise.

(b) As a separate and independent covenant, Shareholder further agrees that during the Term, Shareholder shall not (i) cause, solicit, induce or encourage any employees of the Company (or former employees who had been employed by the Company within a six (6) month period prior to any such solicitation or hiring) to leave such employment or hire, employ or otherwise engage any such individual; (ii) cause, induce or encourage any Customer, supplier, or licensor of the Company (including any person that becomes a Customer of the Company after the Closing Date) or any other person who has a material business relationship with the Company, to terminate or modify any such relationship; or (iii) cause, induce or encourage any Prospective Customer of the Company not to do business with the Company.

(c) The covenants of Shareholder set forth in this Agreement constitute a material inducement for the Company to execute, deliver and consummate

the Merger Agreement and are an essential element of the acquisition of the Business and, but for such covenants, the Company would not have executed and delivered the Merger Agreement and would not have been willing to consummate its acquisition of the Business.

(d) Without intending in any way to limit the remedies available to the Company, Shareholder hereby acknowledges that the breach, or attempted or threatened breach, of this Agreement by Shareholder will result in immediate and irreparable harm to the Company and that damages at law will not be an adequate remedy for the Company, and further acknowledges and agrees that if Shareholder breaches any of the covenants contained in this Agreement, the Company may seek injunctive relief in any court of competent jurisdiction to restrain the breach or the threatened breach of, or otherwise specifically to enforce, any of such covenants. Such injunctive relief shall be in addition to, and not in lieu of, any other remedies at law or in equity available to the Company.

3. Nondisclosure of Confidential or Proprietary Information. Shareholder acknowledges that, as a result of Shareholder's past association with the Company and the Business, Shareholder has acquired confidential or proprietary information of special value to the Company. Shareholder covenants and agrees that Shareholder shall not during the Term or at any time thereafter, directly or indirectly, disclose, reveal, divulge or communicate to any person other than authorized officers, directors and employees of the Company or use or otherwise exploit for Shareholder's own benefit or for the benefit of anyone other than the Company, any Confidential Information (as defined below). Shareholder shall not have any obligation to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by applicable law; provided, however, that in the event disclosure is required by applicable law, Shareholder shall, to the extent reasonably possible, provide the Company with prompt notice of such requirement prior to making any disclosure so that the Company may seek an appropriate protective order.

"Confidential Information" means any confidential information with respect to the Company, including, without limitation, methods of operation, customer lists, products, prices, fees, costs, technology, formulas, inventions, trade secrets, know-how, software, marketing methods, plans, suppliers, competitors, markets or other specialized information or proprietary matters; provided, that there shall be no obligation hereunder with respect to information that (i) is generally available to the public on the Closing Date, (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible hereunder or a known breach by a third party of any confidentiality covenants owing by that party to the Company, or (iii) is independently developed by Shareholder without the use of any such information.

4. Scope of Coverage. The parties agree and intend that the covenants contained in Section 2 and Section 3 of this Agreement shall be construed as a series of separate covenants, one for each applicable county, parish, state or country comprising the Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms.



5. Judicial Amendments; Severability. It is expressly understood and agreed that, although the Company and Shareholder consider the restrictions contained in this Agreement to be reasonable for the purpose of preserving for the Company's benefit the proprietary rights, going business value and goodwill of the Business, if a court of competent jurisdiction holds or deems that any of the separate covenants contained in this Agreement is unenforceable against Shareholder in respect of the geographic area, then such unenforceable covenant shall be deemed eliminated from this Agreement for the purpose of such proceedings to the extent necessary to permit the remaining separate covenants to be enforced and such findings shall not affect the enforceability of any of the other separate covenants contained herein. If the court referred to above finds that any covenant or restriction contained in this Agreement is unenforceable for any other reason, then the provisions of such covenant shall not be rendered void but shall be deemed reduced or otherwise amended to the extent such court may judicially determine or indicate to be reasonable and so as to provide the Company, to the fullest extent permitted by applicable law, the benefits intended by this Agreement.

6. Entire Agreement; Assignment. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, between the parties. The rights and obligations of the parties hereunder shall inure to the benefit of, and be conclusive and binding, upon each such party and their respective successors and assigns. Shareholder may not assign its obligations hereunder under any circumstances, but the Company may assign its rights hereunder to its Subsidiaries or Affiliates or to any third party that acquires all or substantially all of the assets of the Company.

7. Notices. All notices or other communications given pursuant to this Agreement shall be in writing and shall be deemed to have been duly given as of the date delivered if personally delivered or if mailed by U.S. first class certified mail, return receipt requested, as follows:

(a) if to the Company:

T3 Communications, Inc.  
Attention: Arthur L. Smith  
3463 Magic Drive, Suite 235  
San Antonio, Texas 78229  
[art.smith@shift8networks.net](mailto:art.smith@shift8networks.net)

with a copy to (which shall not constitute notice):

BoyarMiller  
2925 Richmond Ave., 14<sup>th</sup> Floor  
Houston, TX 77098  
Fax: (713) 552-1758  
Attention: Steve Kesten  
Email: [skesten@boyarmiller.com](mailto:skesten@boyarmiller.com)

(b) if to Shareholder:

\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

with a copy (which shall not constitute notice) to:

K&L Gates LLP  
Southeast Financial Center, Suite 3900  
200 South Biscayne Boulevard  
Miami, Florida 33131  
Fax: (305) 358-7095  
Attention: Clayton E. Parker  
Email: [clayton.parker@klgates.com](mailto:clayton.parker@klgates.com)

8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original instrument, but all of which taken together shall constitute one agreement.

9. No Waiver. The failure of the Company to insist, in any one or more instances, upon the strict performance of the terms and conditions of this Agreement shall not be construed as a waiver or relinquishment of any right hereunder nor of the future performance of any such terms and conditions.

10. Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by, or on behalf of, each of the Company and Shareholder.

11. Gender. All references in the Agreement to the masculine shall be deemed to include, where required or appropriate, the feminine or neuter genders.

12. Headings. Article, section and paragraph headings are inserted for convenience only and do not form a part of this Agreement.

13. Governing Law. This Agreement shall be construed under and enforced in accordance with the laws of the State of Florida, without regard to the conflicts of law provisions thereof. The parties to this Agreement submit to the exclusive jurisdiction of the state courts located in Lee County in the State of Florida, or the courts of the United States located in Lee County, Florida in respect of the interpretation and enforcement of the provisions of this Agreement and any related agreement, certificate or other document delivered in connection herewith and by this Agreement waive, and agree not to assert, any defense, in any action for the interpretation or enforcement of this Agreement and any related agreement, certificate or other document delivered in connection herewith, that they are not subject thereto or that such action may not be brought or is not maintainable in such courts or that this Agreement may not be enforced in or by such courts or that their property is exempt or immune from execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper. Service of process with respect thereto

0

may be made upon any party by mailing a copy thereof by registered or certified mail, postage prepaid, to such party at its address as provided in Section 7.

14. Waiver of Jury Trial. Each party hereto hereby acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, **and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the Transaction.** Each party certifies and acknowledges that (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) such party understands and has considered the implications of this waiver, (iii) such party makes this waiver voluntarily, and (iv) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 14.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**SHAREHOLDER:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COMPANY:**

T3 COMMUNICATIONS INC.  
a Florida corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT F**  
**ESCROW AGREEMENT**

[See attached]

## EXHIBIT F

### ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made as of May \_\_, 2017, by and among (i) Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), (ii) Stuart Conrad, solely in his capacity as the Shareholders Representative ("Shareholders Representative"), and (iii) Wilmington Trust, N.A., a national banking association, as escrow agent (the "Escrow Agent"). Shareholders Representative and Buyer are sometimes collectively referred to herein as the "Parties" and individually as a "Party." Capitalized terms used herein but not defined herein shall have the meanings set forth in the Merger Agreement (as defined below).

WHEREAS, Shareholders Representative, Buyer, and other parties thereto are parties to that certain Agreement and Plan of Merger, dated as of 8, 2017 (the "Merger Agreement");

WHEREAS, pursuant to the Merger Agreement, the Shareholders appointed the Shareholders Representative as agent and attorney-in-fact for each such Shareholder, with full power and authority to represent such Shareholder and such Shareholder's successors and permitted assigns in connection with the transactions contemplated by this Agreement and the Merger Agreement;

WHEREAS, the Merger Agreement contemplates the establishment of separate escrow funds as sources of recovery for (i) indemnification claims by Buyer Indemnitees as set forth in Section 7.2 of the Merger Agreement, and (ii) adjustments to the Estimated Purchase Price, as set forth in Section 2.5(d) of the Merger Agreement;

WHEREAS, the Parties and the Escrow Agent desire to more specifically set forth their rights and obligations with respect to the Indemnity Escrow Amount (as defined below) and the Working Capital Escrow Amount (as defined below) and the distribution and release thereof; and

WHEREAS, the execution and delivery of this Agreement is a condition to the consummation of the transactions contemplated by the Merger Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties and the Escrow Agent hereby agree as follows.

1. Appointment of Escrow Agent. Shareholders Representative and Buyer hereby appoint the Escrow Agent as escrow agent in accordance with the terms and conditions set forth herein, and the Escrow Agent hereby accepts such appointment.

2. Escrow Deposit.

(a) On the date of this Agreement, Buyer shall deposit or cause to be deposited with the Escrow Agent, in accordance with Section 2.4(e)(iii) of the Merger Agreement:

(i) \$50,000 (such amount, together with all income accrued thereon which has not been distributed pursuant to this Agreement, the "Working Capital Escrow Amount"); and

(ii) \$400,000 (such amount, together with all income accrued thereon which has not been distributed pursuant to this Agreement, the "Indemnity Escrow Amount" and, together with the Working Capital Escrow Amount, the "Escrow Funds").

(b) The Escrow Agent shall hold the Working Capital Escrow Amount in a separate and distinct account (the "Working Capital Escrow Account") and the Indemnity Escrow Amount in a separate and distinct account (the "Indemnity Escrow Account") and together with the Working Capital Escrow, the "Escrow Accounts" and each, an "Escrow Account"). All income earned on the Working Capital Escrow Amount shall be credited to the Working Capital Escrow Account and be deemed to be a part of the Working Capital Escrow Amount for any and all purposes hereunder and all income earned on the Indemnity Escrow Amount shall be credited to the Indemnity Escrow Account and be deemed to be a part of the Indemnity Escrow Amount for any and all purposes hereunder. The Escrow Agent shall not distribute or release the Escrow Funds except in accordance with the express terms and conditions of this Agreement.

### 3. Permitted Investments.

(a) The Escrow Agent shall follow the Joint Instructions (as defined below) of the Parties concerning any investment or reinvestment from time to time of the funds held in the Escrow Accounts; provided that permissible investments shall be limited to: (a) money market accounts and money market mutual funds (including those of the Escrow Agent), treasury bills, treasury notes or any other direct obligations issued by or guaranteed in full as to principal and interest by the United States of America and certificates of deposit issued by a commercial bank having capital, surplus and undivided profits of not less than \$500,000,000 (including the Escrow Agent and its affiliates), (b) obligations of or guaranteed by the U.S. government with a maturity of not more than 120 days, (c) certificates of deposit with a maturity of not more than 120 days with a commercial bank having capital, surplus and undivided profits of not less than \$500,000,000, (d) commercial paper with a maturity of not more than 120 days that is rated A-2, P-2 or better by Standard & Poor's Corporation or Moody's Investors Services, Inc. and (e) debt of or guaranteed by any state or political subdivision with a maturity of not more than 120 days that is rated A or better (the "Permitted Investments"). In the absence of the Joint Instructions described above, the Escrow Agent shall invest the Escrow Funds, to the extent reasonably practicable, in M&T Bank Corporate Deposit Account (the "CDA") or such successor or similar fund with the Escrow Agent. Amounts on deposit in the CDA are insured up to a total of \$250,000 per depositor, per insured bank (including principal and accrued interest) by the Federal Deposit Insurance Corporation (the "FDIC"), subject to the applicable rules & regulations of the FDIC. The Parties understand that deposits in the CDA are not secured. Neither of the Parties nor the Escrow Agent shall be liable or responsible in any manner for any loss or depreciation resulting from any such Permitted Investment or any liquidation thereof, or for any costs in connection therewith, and all of said losses and costs shall be borne by the Escrow Accounts. The Escrow Agent is hereby authorized to execute purchases and sales of investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Escrow Agent shall send statements to each of the Parties on a monthly basis reflecting activity in the Escrow Accounts for the preceding month. The Escrow Agent will act upon investment instructions the day that such instructions are received; provided that the instructions are communicated within a reasonable amount of time to allow the Escrow Agent to make the specified investment.

(b) The Parties recognize and agree that the Escrow Agent will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Escrow Accounts or the purchase, sale, retention or other disposition of any Permitted Investment.

(c) Although the Parties recognize that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Parties hereby agree that confirmations of Permitted Investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered.

(d) The Parties acknowledge and agree that the delivery of the escrowed property is subject to the sale and final settlement of Permitted Investments. Proceeds of a sale of Permitted Investments will be delivered on the Business Day on which the appropriate instructions are delivered to the Escrow Agent if received prior to the deadline for same day sale of such Permitted Investments. If such instructions are received after the applicable deadline, proceeds will be delivered on the next succeeding Business Day.

4. Release of Escrow Funds. The Escrow Funds shall be distributed and released only as follows.

(a) Purchase Price Adjustment. Upon the determination of the Purchase Price pursuant to Section 2.5 of the Merger Agreement, Buyer and Shareholders Representative shall execute and deliver to the Escrow Agent a joint written instruction signed by Buyer and Shareholders Representative (a "Joint Instruction") instructing the Escrow Agent to release not later than five (5) Business Days after receipt of the Joint Instruction the Working Capital Escrow Amount to either Buyer or Wilmington Trust, N.A., a national banking association, as payment agent (the "Payment Agent"), or combination of both, and in the amounts specified in such Joint Instruction in accordance with Section 2.5 of the Merger Agreement.

(b) Indemnification Claims. At any time and from time to time prior to [\_\_\_\_\_, 20\_\_]<sup>1</sup> (the "Escrow Release Date"), if any Buyer Indemnitee makes a claim for indemnification from the Shareholders pursuant to the Merger Agreement, Buyer shall deliver concurrently to the Escrow Agent and Shareholders Representative a written notice (an "Indemnification Notice") describing the claim, the amount thereof (if known and quantifiable, and which may include the amount of Losses actually suffered by the Buyer Indemnitee and/or Losses which may in good faith be expected to be suffered by the Buyer Indemnitee assuming in each case that all of the facts and circumstances forming the basis of the indemnification were true) and the basis of the claim ("Indemnification Claim"). Buyer shall promptly notify Shareholders Representative of the date that Escrow Agent received the Indemnification Notice. If the Escrow Agent has not received a written objection to such Indemnification Notice from Shareholders Representative within thirty (30) days following the Escrow Agent's receipt of such Indemnification Notice, then the Escrow Agent shall, on the first (1st) Business Day following the expiration of such thirty (30) day period, release to Buyer a portion of the Indemnity Escrow Amount from the Indemnity Escrow Account equal to the amount of such Indemnification Claim (such amount to be distributed by wire transfer of immediately available funds to an account or accounts designated by Buyer in the Indemnification Notice).

(c) Disputes. If Shareholders Representative delivers to the Escrow Agent and Buyer a written objection (a "Dispute Notice") to the amount of any Indemnification Claim or portion thereof within thirty (30) days following the Escrow Agent's receipt of the related Indemnification Notice, then the Escrow Agent shall not distribute to Buyer any portion of such Indemnity Escrow Amount that is the subject of the Dispute Notice until the Escrow Agent receives either (x) a Joint Instruction authorizing the release to Buyer of all or any portion of the Indemnity Escrow Amount or (y) a Final Order (as defined in Section 5.(f)) directing the release to Buyer of all or any portion of the Indemnity Escrow Amount. Upon receipt of such Joint Instruction or such Final Order, as the case may be, the Escrow Agent shall release to Buyer the portion of the Indemnity Escrow Amount in accordance with such Joint Instruction or such Final Order. In the event that Shareholders Representative is the prevailing party in whole or in part in connection with any such dispute, the portion of the Indemnity Escrow Amount that was the subject of such Dispute Notice and that is not released as provided in the immediately preceding sentence shall remain in the Indemnity Escrow Account and shall be available to satisfy subsequent Indemnification

<sup>1</sup> To insert the date that is one Business Day immediately following the 24 month anniversary of the Closing Date.



Claims until released as provided herein. Any Dispute Notice shall describe in reasonable detail the basis for any objection to the matters set forth in the Indemnification Notice and the portion of such Indemnification Claim that is the subject of such Dispute Notice.

(d) Partial Release. If any Dispute Notice includes an objection to only a portion of an Indemnification Claim, the Escrow Agent shall promptly release to Buyer a portion of the Indemnity Escrow Amount equal to the portion of the Indemnification Claim for which there is no objection; provided that no such partial release by the Escrow Agent shall terminate or otherwise prejudice Buyer's rights with respect to amounts claimed in any Indemnification Notice which are in excess of the amounts so released.

(e) No Limitation of Remedies. Shareholders Representative hereby acknowledges and agrees that in the event all of the Indemnity Escrow Amount is paid to Buyer pursuant to this Agreement, any further right of indemnification which Buyer may otherwise have pursuant to the Merger Agreement (subject to the limitations thereof) shall not be limited or otherwise affected thereby.

(f) Escrow Release. On the Business Days immediately following the Escrow Release Date, Shareholders Representative and Buyer shall deliver a Joint Instruction directing the Escrow Agent to release, subject to Section 7.11 of the Merger Agreement, the Indemnity Escrow Amount remaining in the Indemnity Escrow Account (if any) in excess of the amount of all unresolved Claims as of such date to the Payment Agent (for distribution to the Shareholders in accordance with their respective Pro Rata Shares); provided that if the Escrow Agent has not received such Joint Instruction by the tenth Business Day following the Escrow Release Date, then the Escrow Agent shall nonetheless release the balance of the Indemnity Escrow Amount (if any) in excess of all unresolved Claims as of the Escrow Release Date to the Payment Agent.

5. Conditions to Escrow. The Escrow Agent agrees to hold the Escrow Funds and to perform its obligations in accordance with the terms and provisions of this Agreement. The Parties agree that the Escrow Agent shall not assume any responsibility for the failure of the Parties to perform in accordance with the Merger Agreement or this Agreement. The acceptance by the Escrow Agent of its responsibilities hereunder is subject to the following terms and conditions, which the parties hereto agree shall govern and control with respect to the Escrow Agent's rights, duties and liabilities hereunder:

(a) Documents. The Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, receipt or other paper or document furnished to it, not only as to its due execution and validity and the effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which the Escrow Agent in good faith believes to be genuine and what it purports to be. Should it be necessary for the Escrow Agent to act upon any instructions, directions, documents or instruments issued or signed by or on behalf of any corporation, partnership, fiduciary or individual acting on behalf of another party hereto, it shall not be necessary for the Escrow Agent to inquire into such corporation's, partnership's, fiduciary's or individual's authority. The Escrow Agent is also relieved from the necessity of satisfying itself as to the authority of the persons executing this Agreement in a Shareholders Representative capacity or on behalf of any of the Parties. Concurrent with the execution of this Agreement, Buyer and Shareholders Representative shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit A-1 and Exhibit A-2 to this Agreement.

(b) Liability. Provided the Escrow Agent complies with Joint Instructions furnished to it by Buyer and Shareholders Representative, the Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith, except for its own gross negligence, willful misconduct or fraud.

(c) Legal Counsel. The Escrow Agent may consult with, and obtain advice from, legal counsel in the event of any question as to any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion and instructions of such counsel.

(d) Limitation of Duties. The Escrow Agent shall have no duties except those which are expressly set forth herein and it shall not be bound by any agreements of the other parties hereto, including, without limitation, the Merger Agreement (whether or not it has any knowledge thereof). The Escrow Agent shall not be deemed a fiduciary for any party to this Agreement. PROVIDED THE ESCROW AGENT COMPLIES WITH THIS AGREEMENT, JOINT INSTRUCTIONS FURNISHED TO IT BY PURCHASER AND SHAREHOLDERS REPRESENTATIVE OR A FINAL ORDER, THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

(e) Resignation or Termination of Escrow Agent. The Escrow Agent shall have the right to resign at any time by giving thirty (30) calendar days' prior written notice of such resignation to the Parties, and the Parties shall have the right to terminate the services of the Escrow Agent hereunder at any time by giving joint written notice (with such written notice being signed by the Parties) of such termination to the Escrow Agent, in each case specifying the effective date of such resignation or termination. Within thirty (30) days after receiving or delivering the aforesaid notice, as the case may be, the Parties agree to appoint a successor escrow agent to which the Escrow Agent shall distribute the property then held hereunder in accordance with the terms hereof. If a successor escrow agent has not been appointed and has not accepted such appointment by the end of such thirty (30)-day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and the reasonable costs and expenses which are incurred in connection with any such proceeding shall be paid one-half by Shareholders Representative, on the one hand, and one-half by Buyer, on the other hand. Except as otherwise agreed to in writing by the Parties, no Escrow Funds shall be released from the Escrow Accounts unless and until a successor escrow agent has been appointed in accordance with this Section 5(e).

(f) Discharge of Escrow Agent. Upon delivery of all of the Escrow Funds pursuant to the terms of Section 4 above or to a successor Escrow Agent, the Escrow Agent shall thereafter be discharged from any further obligations hereunder. The Escrow Agent is hereby authorized, in any and all events, to comply with and obey any and all fixed, nonappealable judgments, orders and decrees of any court of competent jurisdiction which may be filed, entered or issued (each a "Final Order"), and, if it shall so comply or obey, it shall not be liable to any other person by reason of such compliance or obedience. The Escrow Agent shall be entitled to receive and may conclusively rely upon an opinion of counsel to the effect that a judgment, order or decree is final, nonappealable and from a court of competent jurisdiction.

(g) Interpleading of Assets upon Dispute. In the event that (i) any dispute shall arise between the Parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Escrow Agent shall be uncertain as to how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise,

the Escrow Agent shall be permitted to interplead all of the assets held hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets. The Parties further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to the same.

(h) Agency. The Escrow Agent shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees.

(i) Merger of Escrow Agent. Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the Parties, anything herein to the contrary notwithstanding.

(j) Garnishment of Escrow Funds. In the event that any of the Escrow Funds shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

6. Taxation. All Parties agree that, for all tax purposes including federal and state income tax purposes, all interest or other income earned with respect to any portion of the Working Capital Escrow Account or the Indemnity Escrow Account in any tax year shall be allocated to Shareholders Representative and reported to the Internal Revenue Service by the Escrow Agent as income earned from the Escrow Funds. The Parties acknowledge that payments of any Escrow Funds will be subject to backup withholding penalties unless a properly completed Internal Revenue Service form W-8 or W-9 certification is submitted to the Escrow Agent by each Party.

7. Indemnification.

(a) Shareholders Representative, on the one hand, and Buyer, on the other hand, hereby agree, severally and not jointly, to indemnify the Escrow Agent for and to hold it harmless against any loss, liability or reasonable expense (including reasonable attorneys' fees and expenses) incurred without gross negligence, willful misconduct or fraud on the part of the Escrow Agent arising out of or in connection with its performance under this Agreement; provided, however, that, Shareholders Representative, on the one hand, and Buyer, on the other hand, shall each be responsible for not more than 50% of any such losses, liabilities, fees or expenses.

(b) Subject to there being Escrow Funds available therefor, the Escrow Agent shall, pursuant to written instructions from the Shareholders Representative, make a distribution to the Shareholders Representative on or prior to January 31, 2018 (and on or prior to January 31 of any subsequent year that precedes the Escrow Release Date) in an amount equal to 40% of the aggregate income earned on the Escrow Funds during the preceding calendar year. Such distribution shall be funded from the Escrow Funds. Concurrently with such distribution, the Escrow Agent shall provide Buyer with

notice of the amount disbursed to the Shareholders Representative.

8. Escrow Costs. The Escrow Agent shall be entitled to be paid a fee for its services pursuant to the attached Exhibit B and to be reimbursed for its reasonable costs and expenses incurred in connection with maintaining the Escrow Accounts hereunder, which fees, costs and expenses shall be paid one-half by Shareholders Representative, on the one hand, and one-half by Buyer, on the other hand. The Escrow Agent shall be entitled and is hereby granted the right to set off and deduct from the Escrow Funds any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from such Escrow Funds. In the event that the Escrow Agent exercises its right to set off (as set forth in the immediately preceding sentence), the amount of such set off shall be replenished into the Escrow Funds by the Party whose failure to pay pursuant to the first sentence of this Section 8 resulted in such set off; provided, however, if such set off is a result of the failure of the Shareholders Representative to pay its share of the fees, costs and expenses pursuant to this Section 8, then Shareholders Representative shall not be required to replenish into the Escrow Funds the amount of such set off until the date that all of the Escrow Funds in the Escrow Accounts have been released and distributed in accordance with Section 4 and then only to the extent necessary to comply with Shareholder Representative's obligations under this Section 8.

9. Limitations on Rights to Escrow Funds. None of the Parties shall have any right, title or interest in or to, or possession of, the Escrow Accounts and therefore shall not have the ability to pledge, convey, hypothecate or grant as security all or any portion of the Escrow Funds unless and until such Escrow Funds have been released pursuant to Section 4 above. Accordingly, the Escrow Agent shall be in sole possession of the Escrow Funds and shall not act as custodian of the Parties under this Agreement for the purposes of perfecting a security interest therein, and no creditor of any of the Parties shall have any right to have or to hold or otherwise attach or seize all or any portion of the Escrow Funds as collateral for any obligation and shall not be able to obtain a security interest in any of the Escrow Funds unless and until such Escrow Funds have been released pursuant to Section 4 above.

10. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) on the date of such transmission if being sent to the recipient by facsimile transmission or electronic mail and the relevant electronic record indicates a full and successful transmission, or (iv) four (4) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below (or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party):

Notice to Shareholders Representative:

Mr. Stuart Conrad  
485 Majestic Cove  
Alpharetta, GA 30004  
Fax: 674-550-9627  
Email: stuartconrad@att.net

with a copy to (which shall not constitute notice):

K&L Gates LLP  
Southeast Financial Center, Suite 3900

200 South Biscayne Boulevard  
Miami, Florida 33131

Fax: (305) 358-7095  
Attention: Clayton E. Parker, Esq.  
Email: clayton.parker@klgates.com

with a copy to (which shall not constitute notice):

Steven Jones  
1740 Persimmon Drive  
Naples, FL 34109  
Fax: (239) 325-2001  
Email: sjones@aspencapgroup.com

Notice to Buyer:

Shift8 Technologies, Inc.  
3463 Magic Drive, Suite 235  
San Antonio, Texas 78229  
Attention: Arthur L. Smith  
Telephone: \_\_\_\_\_  
Email: art.smith@shift8networks.net

with a copy to (which shall not constitute notice):

BoyarMiller  
2925 Richmond Ave., 14th Floor  
Houston, Texas 77098  
Attention: Steven D. Kesten  
Telephone: (832) 615-4246  
Email: skestn@boyarmiller.com

Notice to Escrow Agent:

Wilmington Trust, N.A.  
15950 N. Dallas Parkway, Suite 550  
Dallas, TX 75248  
Attention: Camilla J. Lindsey  
Telephone: (972) 383-3151  
Email: clindsey@wilmingtontrust.com

11. Entire Agreement; Amendments. This Agreement, together with the Merger Agreement, contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes any prior understandings or agreements by or among the parties hereto, whether written or oral, which may have related to the subject matter hereof in any way. This Agreement may be amended, or any provision of this Agreement may be waived, so long as such amendment or waiver is set forth in a writing executed by each of the Parties (a copy of which shall be promptly provided to the Escrow Agent); provided that, if any such amendment or waiver would have the effect of increasing or expanding the Escrow Agent's obligations or duties under this Agreement, the written consent of the

Escrow Agent shall be required in addition to the written consent of the Parties. No course of dealing between or among the parties hereto shall be deemed effective to modify, amend or discharge any part of this Agreement of any rights or obligations of any party hereto under or by reason of this Agreement.

12. Assigns and Assignment. This Agreement and all actions taken hereunder shall inure to the benefit of and shall be binding upon all of the parties hereto and upon all of their respective successors and assigns; provided that (a) the Escrow Agent shall not be permitted to assign its obligations hereunder except as provided in Sections 5.(e) and 5.(i) above and (b) no assignment by any of the Parties shall be binding against the Escrow Agent unless and until written notice of such assignment is delivered to and acknowledged by the Escrow Agent.

13. No Other Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or to give any Person other than the Escrow Agent, the Parties and their permitted assigns any rights or remedies under or by reason of this Agreement.

14. Interpretation. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning hereof.

15. No Waiver. No failure or delay by a party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise thereof shall preclude any right of further exercise or the exercise of any other right, power or privilege. The right of the Parties to receive all or a portion of the Escrow Funds under the circumstances described in Section 4 above is in addition to, and not in lieu of, any other remedies that any Person may have against another Person pursuant to the Merger Agreement in the event of a breach of, or other liability under, the Merger Agreement.

16. Severability. The parties hereto agree that (a) the provisions of this Agreement shall be severable in the event that for any reason whatsoever the provisions hereof are invalid, void or otherwise unenforceable, (b) such invalid, void or otherwise unenforceable provisions shall be automatically replaced by other provisions that are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable and (c) the remaining provisions shall remain enforceable to the fullest extent permitted by law.

17. No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their collective mutual intent, and no rule of strict construction shall be applied against any person. The term "including" as used herein shall be by way of example and shall not be deemed to constitute a limitation of any term or provision contained herein. Each defined term used in this Agreement has a comparable meaning when used in its plural or singular form.

18. Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the domestic laws of the State of Delaware without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

19. Banking Days. If any date on which the Escrow Agent is required to make an investment or a delivery pursuant to the provisions hereof is not a banking day, then the Escrow Agent shall make such investment or delivery on the next succeeding banking day.

20. Counterparts. This Agreement may be executed by the parties hereto individually or in any combination, in one or more counterparts (including by means of telecopied or PDF signature pages), each of which shall be an original and all of which shall together constitute one and the same agreement.

21. Conflicts. The Parties agree and acknowledge that to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of the Merger Agreement, the Merger Agreement shall govern and control. Unless and until the Escrow Agent shall be notified in writing that an inconsistency or a conflict exists between this Agreement and this Merger Agreement, it shall be entitled to conclusively assume that no such inconsistency or conflict exists. In the event that the Escrow Agent shall be notified that an inconsistency or a conflict exists between the Agreement and the Merger Agreement, the Escrow Agent shall be permitted to interplead assets held hereunder pursuant to Section 5.(g) hereof.

22. Bankruptcy Proceedings. In the event of the commencement of a bankruptcy case or cases wherein Shareholders Representative or Buyer is the debtor, the Escrow Funds will not constitute property of the debtor's estate within the meaning of 11 U.S.C. § 541.

23. Specific Performance. The obligations of the parties hereto (including the Escrow Agent) are unique in that time is of the essence, and any delay in performance hereunder by any party will result in irreparable harm to the other parties hereto. Accordingly, any party may seek specific performance and/or injunctive relief before any court of competent jurisdiction in order to enforce this Agreement or to prevent violations of the provisions hereof, and no party will object to specific performance or injunctive relief as an appropriate remedy. The Escrow Agent acknowledges that its obligations, as well as the obligations of any party hereunder, are subject to the equitable remedy of specific performance and/or injunctive relief.

24. Termination. This Agreement shall terminate when all of the Escrow Funds in the Escrow Accounts have been released and distributed in accordance with Section 4. Upon such termination this Agreement shall have no further force and effect, except that the provisions of this Section 24 and Sections 6, 7 and 8 and Sections 10 through 20 shall survive such termination and the resignation or removal of the Escrow Agent.

*Remainder of the page intentionally left blank; signature page follows*



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

**BUYER:**

SHIFT8 TECHNOLOGIES, INC.

By: \_\_\_\_\_  
Name:  
Its:

**SHAREHOLDERS REPRESENTATIVE:**

\_\_\_\_\_  
STUART CONRAD

**ESCROW AGENT:**

WILMINGTON TRUST, N.A., AS ESCROW AGENT

By: \_\_\_\_\_  
Name:  
Title:





EXHIBIT A-1

CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES  
OF BUYER

Shift8 Technologies, Inc. (the "Buyer") hereby designates each of the following persons as its Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Accounts established under the Agreement to which this Exhibit A-1 is attached, on behalf of the Buyer.

<b>Name (print):</b>	
<b>Specimen Signature:</b>	
<b>Title:</b>	
<b>Telephone Number</b> (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
<b>E-mail (required):</b> <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

<b>Name (print):</b>	
<b>Specimen Signature:</b>	
<b>Title:</b>	
<b>Telephone Number</b> (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
<b>E-mail (required):</b> <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

<b>Name (print):</b>	
<b>Specimen Signature:</b>	
<b>Title:</b>	
<b>Telephone Number</b> (required): <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:

<b>E-mail (required):</b> <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:
--	----------------------

**Additional Email Addresses:**

The following additional email addresses also may be used by Escrow Agent to verify the email address used to send any Payment Notice to Escrow Agent:

Email 1: \_\_\_\_\_  
Email 2: \_\_\_\_\_  
Email 3: \_\_\_\_\_

**COMPLETE BELOW TO UPDATE EXHIBIT A-1**

If Buyer wishes to update this Exhibit A-1, Buyer must complete, sign and send to Escrow Agent an updated copy of this Exhibit A-1 with such changes. Any updated Exhibit A-1 shall be effective once signed by Buyer and Escrow Agent and shall entirely supersede and replace any prior Exhibit A-1 to this Agreement.

SHIFT8 TECHNOLOGIES, INC.

By: \_\_\_\_\_  
Name:  
Title:  
Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**Buyer Remittance Instructions:**

**EXHIBIT A-2**

**CERTIFICATE AS TO AUTHORIZED REPRESENTATIVES  
OF SHAREHOLDERS REPRESENTATIVE**

Stuart Conrad (the "Shareholders Representative") designates each of the following persons as his Authorized Representatives for purposes of this Agreement, and confirms that the title, contact information and specimen signature of each such person as set forth below is true and correct. Each such Authorized Representative is authorized to initiate and approve transactions of all types for the Escrow Accounts established under the Agreement to which this Exhibit A-2 is attached, on behalf of the Shareholders Representative.

<b>Name (print):</b>	
<b>Specimen Signature:</b>	
<b>Title:</b>	
<b>Telephone Number (required):</b> <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
<b>E-mail (required):</b> <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

<b>Name (print):</b>	
<b>Specimen Signature:</b>	
<b>Title:</b>	
<b>Telephone Number (required):</b> <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:
<b>E-mail (required):</b> <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

<b>Name (print):</b>	
<b>Specimen Signature:</b>	
<b>Title:</b>	
<b>Telephone Number (required):</b> <i>If more than one, list all applicable telephone numbers.</i>	Office: Cell:

<i>numbers.</i>	
<b>E-mail</b> (required): <i>If more than one, list all applicable email addresses.</i>	Email 1: Email 2:

Additional Email Addresses:

The following additional email addresses also may be used by Escrow Agent to verify the email address used to send any Payment Order Notice to Escrow Agent:

Email 1: \_\_\_\_\_

Email 2: \_\_\_\_\_

Email 3: \_\_\_\_\_

**COMPLETE BELOW TO UPDATE EXHIBIT A-2**

If the Shareholders Representative wishes to update this Exhibit A-2, the Shareholders Representative must complete, sign and send to Escrow Agent an updated copy of this Exhibit A-2 with such changes. Any updated Exhibit A-2 shall be effective once signed by the Shareholders Representative and Escrow Agent and shall entirely supersede and replace any prior Exhibit A-2 to this Agreement.

SHAREHOLDERS REPRESENTATIVE

\_\_\_\_\_  
Name: Stuart Conrad

Date:

WILMINGTON TRUST, NATIONAL ASSOCIATION (as Escrow Agent)

By: \_\_\_\_\_

Name:

Title:

Date:

Shareholders Representative Remittance Instructions:

**EXHIBIT B**

**SCHEDULE OF ESCROW AGENT FEES**

**Fees of Escrow Agent  
Shift8 Technologies, Inc.**

**Acceptance Fee:**

**Waived**

Initial Fees as they relate to Wilmington Trust acting in the capacity of Escrow Agent – includes review of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account(s). **Acceptance Fee payable at time of Escrow Agreement execution**

**Escrow Agent One Time Administration Fee:**

**\$3,500.00**

For ordinary administrative services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wire and check processing); monitoring claim notices pursuant to the agreement; disbursement of funds in accordance with the agreement; and mailing of trust account statements to all applicable parties.

***Wilmington Trust's bid is based on the following assumptions:***

- Number of Escrow Accounts to be established: No more than Two
- Est. Term: 24 months
- Escrow funds are deposited in M&T Deposit Product

**Out-of-Pocket Expenses:**

**Billed At Cost**

**Stephen McPherson***Assistant Vice President  
Wilmington Trust, N.A.  
(972) 383-3156*[smcpherson@wilmingtontrust.com](mailto:smcpherson@wilmingtontrust.com)

**EXHIBIT G**

**AMENDMENT TO JOSH REEL EMPLOYMENT AGREEMENT**

[See attached]

## SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Second Amended and Restated Employment Agreement (the "Agreement") is entered into on this \_\_\_<sup>th</sup> day of \_\_\_\_\_, 2017 (the "Effective Date") by and between **JOSH P. REEL**, an individual whose address is indicated in the signature section of this Agreement ("Mr. Reel" or the "Executive"), and **T3 COMMUNICATIONS, INC.**, a Florida company with its principal office located at 2401 First Street, Suite 300, Fort Myers, Florida 33901 ("T3" or the "Company"). This Agreement supersedes and replaces all previous agreements between the parties related to the subject matter herein.

### RECITALS:

WHEREAS, T3 and Mr. Reel are party to that certain Amended and Restated Employment Agreement dated December 2, 2016 (the "Employment Agreement"), pursuant to which Mr. Reel is serving as the Company's Chief Executive Officer ("CEO"), and pursuant to which Mr. Reel has served as an employee of T3 since 2012; and

WHEREAS, in connection with the Closing of the transaction contemplated by that certain Agreement and Plan of Merger, by and among Shift8 Technologies, Inc., a Nevada corporation, T3 Acquisition, Inc., a Florida corporation, and the Company, dated May 8, 2017 (the "Merger Agreement"), the parties desire to make certain amendments to the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Term of Engagement. This Agreement shall be effective for a period beginning on the Effective Date and running through the first anniversary of the closing under the Merger Agreement (the "Closing Date"). Notwithstanding the foregoing, the Company and/or Executive shall have the right to terminate this Agreement pursuant to Paragraph 8 hereof at any time. For purposes of this Agreement, the period from the Effective Date until the termination of this Agreement for any reason shall hereinafter be referred to as the "Term".
2. Appointments and Duties. On the Effective Date, the Company hereby appoints the Executive as CEO of the Company, to serve in such capacity until the earliest of (i) four weeks after a new President or CEO commences employment with the Company, (ii) December 31, 2017 and (iii) the completion of the Term, or until his earlier termination or resignation in accordance with this Agreement. During the period in which Executive serves as CEO, Executive will continue to provide services to the Company as an employee that are customary for someone who holds the position of CEO at a similar sized telecommunications company, subject to the direction of the Board. Without limiting the generality of the foregoing, for so long as Executive serves as CEO, Executive shall have the following duties:
  - (i) Provide day to day operational leadership for the Company's activities, including managing the employees of the Company;



- (ii) Provide strategic advice to the Board with respect to major growth initiatives for the Company and manage the implementation of such growth initiatives;
- (iii) Lead the sales force in expanding the Company's sales activities;
- (iv) Formulate and implement effective product and network strategies to facilitate growth;
- (v) Provide leadership, guidance and assistance in negotiating and drafting contracts with employees, vendors, clients, strategic partners, and other parties with whom the Company may do business;
- (vi) Provide leadership, guidance and assistance to the Company in raising debt or equity capital, when requested to do so;
- (vii) Provide leadership, guidance and assistance in the development of operational budgets for the Company and forecast models for various business opportunities;
- (viii) Travel at the request of the Company to assist with any of the above duties; and
- (ix) Such other duties as may be required to advance the interests of the Company's shareholders as may be assigned from time-to-time by the Board. The spirit of this section is to try and account for other activities or issues that have not been addressed or identified in (i) through (x) above.

3. Agreements of Company. Pursuant to this Agreement, the Company agrees to provide such support as Executive may reasonably request in order to perform the duties outlined in Paragraph 2. The Company agrees to provide an office for Executive to use while he is working on site at the Company's headquarters' location in Ft. Myers, Florida.

4. Compensation and Expenses. In consideration for the services rendered by the Executive to the Company throughout the Term, the Company shall compensate Executive as follows:

(a) Monthly Salary. The Company agrees to pay Executive a cash salary (the "Base Salary") in the following amounts for the periods indicated:

<u>Period</u>	<u>% of Mthly Time &amp; Attention*</u>	<u>Target Mthly Service Hours*</u>	<u>Monthly Salary Level</u>
Effective Date through the 3-month anniversary of the Closing Date	80%	144	\$12,500
Day after the 3-month anniversary of the Closing Date through the 6-month anniversary of the Closing Date	50%	90	\$8,000
Day after the 6-month anniversary of the Closing Date through the 12-month anniversary of the Closing Date .....	20%	36	\$4,000

The foregoing payments will be made in accordance with the Company's normal payroll practices with any prorated adjustments taking place in the final payroll period for any given month. The Company agrees that if requested by Executive, it will set up a regularly recurring transfer to Executive's designated bank account.

(b) Expenses. The Company shall reimburse Executive for all expenses reasonably incurred by Executive in connection with the services performed on behalf of the Company under this Agreement including, but not limited to, airfare, hotel, food, and a standard mileage allowance pursuant to IRS guidelines for travel on Company business using a personally owned vehicle (collectively "Business Expenses"), upon providing the original receipts and an expense report for such expenses in accordance with the Company's expense reimbursement policy then in effect. Executive agrees that he will notify the Board in the event he needs to incur aggregate Business Expenses in excess of \$2,000 in any given calendar month.

(c) Car Allowance. The Company agrees that a significant portion of the Executive's time will be spent on sales and marketing activities and it is expected that he will need to utilize his personal vehicle to perform the duties of his position. As such, the Company agrees to provide the Executive with a taxable automobile allowance of \$500 per month plus reimburse him for all work-related gas expenses according to the Company's policy.

5. Transaction and Retention Compensation. The Company shall pay, or cause to be paid, to the Executive (or, in the case of any payment under clause (c)(ii), his estate) in cash:

(a) on the Closing Date, a cash bonus in an amount equal to the product of (i) 400,000 multiplied by (ii) the excess, if any, of (A) the amount by which the final per share consideration realized by T3 shareholders pursuant to the Merger Agreement, after giving effect to all deductions of the gross proceeds to pay off debt or transaction expenses over (B) \$0.35;

(b) a retention payment of \$100,000; and

(c) within five (5) business days of the first anniversary of the Closing Date, a further retention payment of \$100,000 (the "Final Retention Payment") provided (A) the Executive continues to provide services to the Company in accordance with this Agreement or any successor agreement as of such anniversary; or (B) this Agreement is terminated within such twelve (12) month period mutual agreement signed in writing by the Executive and the Company; or (C) this Agreement is terminated within such twelve (12) month period by the Company without Cause, or by reason of death or disability. For the avoidance of doubt, if, prior to the twelve (12) month anniversary of the Closing Date, the Executive resigns, without Cause, or the Company terminates the Executive for Cause, the Final Retention Payment otherwise payable pursuant to Paragraph 5(c) shall be forfeited and shall not become due or payable.

(d) The Company agrees to cause the amounts payable pursuant to Paragraphs 5(a) and 5(b) to be deducted from the sale proceeds otherwise payable to the Company's stockholders as a result of the applicable transaction under the Merger Agreement.

6. Best Efforts of the Executive and Minimum Time Commitments of Service. The Executive agrees to perform faithfully and to the best of his ability, talent, and experience all of the duties

hereunder to the reasonable satisfaction of the Company. Unless otherwise agreed with the Company in writing, Executive agrees that on average he will provide services to the Company in an amount equal to the target number of hours per month specified in Paragraph 4(a) for the periods indicated at either the Company's primary place of business in Fort Myers, FL or such other place or places as the interests, needs, business, or opportunities of the Company shall require and/or such other place as may be mutually agreed upon in writing by the parties. Executive agree that the Company may pro-rate his salary payments accordingly for any months in which he performs less than 90% of the target services hours specified in Paragraph 4(a). Executive further agrees that if requested in writing by the Company, he will promptly provide a good faith estimate of the number of hours of services provided to the Company pursuant to this Agreement in any given month.

Following the first anniversary of the Closing Date, if requested by the Company, the Executive agrees to negotiate in good faith with the Company to provide for an additional consulting or employment agreement pursuant to which the Executive will spend at least 10% of his business working time and attention on the affairs of the Company on such terms and conditions as may be mutually agreed between the Executive and the Company.

7. Confidentiality, Non-Solicitation, Non-Competition and Title to Work Product Agreement. In consideration of entering into this Agreement, the Executive agrees that the Confidentiality, Non-Solicitation, and Non-Compete Agreement between the Executive and the Company, dated December 16, 2010, and attached hereto as Exhibit A, shall remain in full force and effect and that such Confidentiality Agreement is made a part hereof. Executive acknowledges and agrees that his past compensation under the Employment Agreement and the compensation provided under this Agreement constitute full, adequate and sufficient consideration to Executive for the Executive's duties, obligations and covenants under this Agreement and under the Confidentiality, Non-Solicitation, and Non-Compete Agreement.

8. Termination. Either party shall have the right to terminate this Agreement (a "Termination") in accordance with the following:

(a) Termination Without Cause. The parties agree that they have each made a minimum commitment to work with one another pursuant to this Agreement until December 31, 2017 (the "Minimum Commitment") and that the consideration that each party is receiving pursuant to this Agreement is sufficient consideration for such Minimum Commitment. Therefore, the parties agree that, unless they have otherwise agreed in writing, neither party will terminate this Agreement without Cause during the Minimum Commitment period. Notwithstanding the foregoing, to the extent a new CEO has not been appointed by the Company by December 31, 2017, either party may then terminate this Agreement without Cause for any reason upon three (3) months written notice to the other party. The obligation of the Company to pay for services hereunder shall continue during the time from either party's written notification of a Termination until the actual date of Termination (the "Termination Date"). All unpaid compensation owed to Executive hereunder as of any Termination Date, including reimbursement of business and business-related travel expenses, shall be paid to Executive within fifteen (15) days of such Termination Date.

(b) Termination for Cause. The Executive shall have the right to terminate this Agreement for "Cause" in the event of any material breach of the Company's obligations under

this Agreement have not been cured within thirty (30) days of the date on which the Company receives written notification from the Executive outlining the event or events that the Executive believes constituted such material breach. The Company shall have the right to terminate this Agreement for "Cause" hereunder upon:

(i) failure to materially perform and discharge the duties and responsibilities of Executive under this Agreement after receiving written notice from the Company and allowing Executive ten (10) business days to create a plan to cure such failure(s), such plan being acceptable to the Board, and a further thirty (30) days to cure such failure(s), if so curable, provided, however, that after one such notice has been given to Executive and the thirty (30) day cure period has lapsed, the Company is no longer required to provide time to cure subsequent failures under this provision, or

(ii) any breach by Executive of the material provisions of this Agreement; or

(iii) misconduct which, in the good faith opinion and sole discretion of the Board, is injurious to the Company; or

(iv) felony conviction involving the personal dishonesty or moral turpitude of Executive; or a determination by the Board, after consideration of all available information, that Executive has willfully and knowingly violated Company policies or procedures involving discrimination, harassment, or work place violence; or

(v) engagement in illegal drug use or alcohol abuse which prevents Executive from performing his duties in any manner, or

(vi) any misappropriation, embezzlement or conversion of the Company's opportunities or property by the Executive; or

(vii) willful misconduct, recklessness or gross negligence by the Executive in respect of the duties or obligations of the Executive under this Agreement and/or the Confidentiality, Non-Solicitation and Non-Compete Agreement.

Any termination for Cause pursuant to this paragraph shall be given to the Executive in writing and shall set forth in detail all acts or omissions upon which the Company is relying to terminate this Agreement for Cause. If this Agreement is terminated for Cause, the Executive shall only be entitled to receive his accrued and unpaid Base Salary and the reimbursement of any unreimbursed Business Expenses through the Termination Date and the Company shall have no further obligations under this Agreement from and after the Termination Date. In the event of a Termination of this Agreement for Cause by the Company pursuant to this Paragraph 8(b), any Option Agreement shall be deemed to have been cancelled upon the Termination Date, and any vested, but unexercised options to purchase common stock of the Company shall be deemed cancelled.

9. Covenants Regarding PAL Litigation. The Executive shall enter into a separate consulting agreement with the Company dealing with the PAL Litigation for up to five (5) years from the Effective Date. During the period from the Effective Date to the later of (i) the last day of the Term

and (ii) December 31, 2018, the Executive shall provide the services contemplated by this paragraph 9(a) in consideration of the compensation payable under this Agreement and for no further consideration, so long as time commitment doesn't exceed time commitment outlined in Paragraph 4(a). Following the conclusion of such period, the Executive shall negotiate in good faith with the Company with regards to a new consulting or similar agreement to provide the services contemplated by this Paragraph 9(a), if so requested by the Company.

10. Representations of Executive. Executive represents and warrants to the Company that (a) nothing in his past legal and/or work and/or personal experiences, which if became broadly known in the marketplace, would impair his ability to serve as the Chief Executive Officer of the Company or materially damage his credibility with shareholders, employees or customers of the Company; (b) there are no restrictions, agreements, or understandings whatsoever to which he is a party which would prevent or make unlawful his execution of this Agreement or the provision of the services described hereunder; (c) the execution of this Agreement does not constitute a breach of any contract, agreement or understanding, oral or written, to which he is a party or by which he is bound; (d) Executive is free and able to execute this Agreement and to provide services to the Company hereunder; and (e) Executive has not used and will not use confidential information or trade secrets belonging to any prior employers or companies with whom he has been affiliated to perform services for the Company hereunder.

11. Miscellaneous.

(a) This Agreement supersedes all prior agreements and understandings between the parties, including the Employment Agreement, and may not be modified or terminated orally. The Executive hereby waives any claims that it might have under any previous oral or other contract. No modification or attempted waiver of this Agreement will be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(b) The provisions of this Agreement are separate and severable, and if any of them is declared invalid and/or unenforceable by a court of competent jurisdiction or an arbitrator, the remaining provisions shall not be affected.

(c) This Agreement is the joint product of the Company and the Executive and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Company and the Executive and shall not be construed for or against either party hereto.

(d) This Agreement will be governed by, and construed in accordance with the provisions of the law of the State of Florida, without reference to provisions that refer a matter to the law of any other jurisdiction. Each party hereto hereby irrevocably submits itself to the exclusive personal jurisdiction of the federal and state courts sitting in Lee County, Florida; accordingly, any matters involving the Company and the Executive with respect to this Agreement may be adjudicated only in a federal or state court sitting in Lee County, Florida.

(e) All notices and other communications required or permitted under this Agreement shall be in writing, and shall be deemed properly given if delivered personally, mailed by registered or certified mail in the United States mail, postage prepaid, return receipt requested,

sent by facsimile, or sent by Express Mail, Federal Express or nationally recognized express delivery service, as follows:

(i) If to the Company, at the address listed at the preamble to this Agreement or its then primary executive offices to the attention of the CEO;

(ii) If to the Executive, to the address which is listed at the signature block of this agreement.

Notice given by hand, certified or registered mail, or by Express Mail, Federal Express or other such express delivery service, shall be effective upon actual receipt. Notice given by facsimile transmission shall be effective upon telephonic confirmation of receipt by the party to whom it is addressed. All notices by facsimile transmission shall be followed up promptly after transmission by delivering an original copy by hand, certified or registered mail, or by Express Mail, Federal Express or other such delivery service. Any party may change any address to which notice is to be given to it by giving notice as provided above of such change of address.

(f) This Agreement may be signed in counterparts, and by fax or Adobe PDF, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first set forth above.

T3 COMMUNICATIONS, INC.

EXECUTIVE

By: \_\_\_\_\_  
Arthur L. Smith  
President

\_\_\_\_\_  
Josh P. Reel  
9019 Mockingbird, Sanibel, FL 33957,  
Mailing address: PO Box 1274, Sanibel, FL  
33957

**Exhibit A**

**Confidentiality, Non-Solicitation and Non-Compete Agreement**

---

**EXHIBIT H**

**FORMER COMPANY INDEMNIFICATION PROVISIONS**

[See attached]



**EXHIBIT H**

**FORMER COMPANY INDEMNIFICATION PROVISIONS**

**(1) Articles of Incorporation of T3 Communications, Inc.**

**Article VII -Indemnification**

The Corporation shall indemnify its officers and directors, or any former officers or directors of the Corporation, to the full extent permitted by applicable law.

**(2) Bylaws of T3 Communications, Inc.**

**Indemnification of Officers Directors, Employees And Agents**

Section 6.01. Indemnification. In addition to any other rights of indemnification, including, without limitation, any rights set forth in the Articles of Incorporation, T3 Communications, Inc. (the "corporation") shall, and does hereby, indemnify any person who was, is, or becomes a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding:

(a) Whether civil, criminal, administrative, or investigative (other than an action by, or in the right of, the corporation) by reason of the fact that he is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in the manner which he reasonably believed to be in, or not opposed to, the best interests of the corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) By or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, including any appeal thereof, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all

(c) To the extent that such director, officer, employee or agent of the corporation has been, in whole or in part, successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 6.01(a) or 6.01(b) of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees, court costs and expenses incurred in the course of attending trials, conferences, depositions, hearings and meetings) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Section 6.01(a) or 6.01(b) of this Article, unless pursuant to a determination by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 6.01(a) or 6.01(b) of this Article. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding or by the shareholders by a majority vote of a quorum consisting of shareholders who were not parties to such action, suit, or proceedings or, if such quorum of directors or shareholders is not obtainable or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion or regardless of whether such quorum of directors is obtainable, the directors, by majority vote, may submit the determination to the American Arbitration Association.

Section 6.02. Interim Expenses. The corporation may, after a preliminary determination following one of the procedures set forth in Section 6.01(d) of this Article, pay expenses (including attorneys' fees, court costs and expenses incurred in the course of attending trials, conferences, depositions, hearings and meetings) incurred in defending a civil or criminal action, suit or proceeding, in advance of the final disposition of such action, suit or proceeding, provided that such preliminary determination is to the effect that the director, officer, employee or agent has met the applicable standard of conduct set forth in Section 6.01(a) and 6.01(b) of this Article, and, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it be ultimately determined that he is entitled to be indemnified by the corporation as authorized in this Article.

Section 6.03. Additional Indemnification. The corporation shall have the power to make any other or further indemnification of an officer, director, employee or agent, both as to action in his official capacity and as to action in another capacity while holding such office except an indemnification against gross negligence or willful misconduct, under the following circumstances:

(a) Pursuant to an agreement between the corporation and such officer, director, employee or agent; or

(b) Pursuant to the vote of shareholders; or

(c) Pursuant to the vote of disinterested directors; or

(d) Pursuant to the written recommendation of independent legal counsel when the Board of Directors submits determination to such counsel; or

(e) Pursuant to the written award of the American Arbitration Association when the Board of Directors and person seeking indemnification submit the determination to the American Arbitration Association.

Section 6.04. Survival of Indemnification. The corporation shall and does hereby, indemnify any person, if the requirements of this Article have been met, without affecting any other rights to which those indemnified may be entitled under the Articles of Incorporation, these By-laws, agreement, vote of shareholders or disinterested directors or recommendation of counsel or otherwise, both as to actions in such person's official capacity and as to actions in another capacity while holding such office, and such indemnity shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 6.05. Insurance. The corporation may, if approved by the Board of Directors or Executive Committee, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article or applicable Florida law.

Section 6.06. Notification of Shareholders. If any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the shareholders or by an insurance carrier pursuant to insurance maintained by the corporation, the corporation shall, not later than the time of delivery to shareholders of written notice of the next annual meeting of shareholders, unless such meeting is held within three months from the date of such payment, and, in any event, within fifteen months from the date of such payment, deliver either personally or by mail to each shareholder of record at the time entitled to vote for the election of directors a statement specifying the persons paid; the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation. Such written notice may be contained in any document distributed to shareholders generally and need not be mailed separately.

**EXHIBIT 1**

**EXAMPLE NET WORKING CAPITAL CALCULATION**

[See attached]

EXHIBIT I

Sample Calculation of Net Working Capital

<b>Debt-Free/Cash Free Working Cap Adj (1)</b>	<b>As of 3/31/17</b>
Current Assets (incl Cash)	\$ 1,558,643
Less: Cash	<u>(1,234,806)</u>
Net Current Assets	323,837
Accounts Payable - Excluding Taxes & Transaction Exp	217,368
2016 Accrued Fed & State Taxes in A/P	165,204
2017 Accrued Fed & State Taxes in A/P	32,718
Accrued Transaction Expenses in A/P	11,273
Customer Prepayments	72,935
Accrued Expenses	50,164
Other A/P	6,189
Unearned Income	135,289
Adjustments	<u>(205,541) (2)</u>
Net Current Liabilities	485,599
<b>Est Cash Free/Debt Free Working Capital Bal</b>	<b>(161,762)</b>
<b>Working Capital Adjustment:</b>	
Cash Free/Debt Free Working Capital Balance (1)	(161,762)
Plus: Cash Left in T3 to Offset WC Deficit	161,762
Plus: Additional Cash to Meet Contractual Minimum Cash =	250,000 <u>88,238</u>
Total Working Capital Adjustment	88,238

(1) Based on Preliminary 3/31/17 T3 Balance Sheet - Will be updated with a Closing estimate and then trued up 90 days after Close.

(2) Represents payments on accrued taxes and Transaction Expenses in April for amounts that were in 3/31/17 accruals. In the final workign capital calculation, there will be no adjustments for future payments.

*Signature Copy*

**FIRST AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **FIRST AMENDMENT AGREEMENT AND PLAN OF MERGER** (this "Amendment"), effective as of the 10<sup>th</sup> day of August, 2017 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

**WHEREAS**, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017 (the "Agreement and Plan of Merger");

**WHEREAS**, the Agreement and Plan of Merger was approved by the Shareholders of the Company at a meeting duly called and covered for that purpose on May 18, 2017;

**WHEREAS**, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in a writing signed by both Buyer and Shareholder Representative; and

**WHEREAS**, the parties desire to amend the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger.

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein and therein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto mutually agree and covenant as follows:

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. **Amendment**. Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(iii) the Closing shall not have occurred by August 31, 2017, which date may be extended pursuant to a mutual written agreement (such date as may be extended, the "Outside Date"); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii), shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best*

*efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date."*

3. **Governing Law and Venue.** This Amendment shall be construed in accordance with the laws of the State of Florida.

4. **Severability.** If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

5. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

6. **Continuing Effect of Agreement and Plan of Merger.** Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.

**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

**BUYER:**

**SHIFT8 TECHNOLOGIES, INC.,**  
a Nevada corporation

By: Arthur L. Smith  
Name: Arthur L. Smith  
Title: President and CEO

**SHAREHOLDERS REPRESENTATIVE:**

Stuart Conrad  
**STUART CONRAD**



# Signature Certificate

Document Reference: 2VP3ZDIDDKCKBNEP5A75F9

# RightSignature

Easy Online Document Signing



Art Smith

Party ID: BXE37DJSCIPZZRHLNVYACT

IP Address: 75.1.135.234

**VERIFIED EMAIL:** art.smith@shift8networks.net

Electronic Signature:

*Arthur L. Smith*

Multi-Factor  
Digital Fingerprint Checksum

5754ced7257b93373bf29676f13fa0dd48afb0e



### Timestamp

2017-08-09 14:06:42 -0700

2017-08-09 14:06:42 -0700

2017-08-09 14:05:29 -0700

2017-08-09 14:05:29 -0700

### Audit

All parties have signed document. Signed copies sent to: Antonio Estrada, Larry Wilson, and Art Smith.

Document signed by Art Smith (art.smith@shift8networks.net) with drawn signature. - 75.1.135.234

Document viewed by Art Smith (art.smith@shift8networks.net). - 75.1.135.234

Document created by Art Smith (art.smith@shift8networks.net). - 75.1.135.234



This signature page provides a record of the online activity executing this contract.

Page 1 of 1

**EXECUTION**

**SECOND AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **SECOND AMENDMENT TO AGREEMENT AND PLAN OF MERGER** (this "Amendment"), effective as of the 31<sup>st</sup> day of October, 2017 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

WHEREAS, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017, as amended by that certain First Amendment to Agreement and Plan of Merger dated August 10, 2017 (the "Agreement and Plan of Merger");

WHEREAS, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in a writing signed by both Buyer and Shareholder Representative; and

WHEREAS, the parties desire to further amend the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and therein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto mutually agree, and covenant as follows:

1. Capitalized Terms. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. Representations and Warranties.

(a) The Company represents and warrants that all of the representations and warranties contained in Article III of the Agreement and Plan of Merger are true and correct as of the date of this Amendment and the Company believes in good faith that such representations and warranties will be true and correct as of the Outside Date contained in this Amendment.

(b) As of the Effective Date, subject to the truth of Buyer's representations and warranties contained in Article IV of the Agreement and Plan of Merger as of the Closing Date, the performance by Buyer of all obligations under the Agreement and Plan of Merger to be performed by Buyer prior to the Closing Date, and the delivery by Buyer of the items required to be delivered by Buyer at the Closing, all conditions to the Company's

obligations set forth in Section 6.1 and Section 6.3 of the Agreement and Plan of Merger have been satisfied.

(c) Buyer represents and warrants that all of the representations and warranties contained in Article IV of the Agreement and Plan of Merger are true and correct as of the date of this Amendment except for Section 4.6 dealing with Buyer's Financial Ability. Buyer believes in good faith that such representations and warranties will be true and correct as of the Outside Date contained in this Amendment.

(d) As of the Effective Date, subject to the truth of the Company's representations and warranties contained in Article III of the Agreement and Plan of Merger as of the Closing Date, the performance by the Company of all obligations under the Agreement and Plan of Merger to be performed by the Company prior to the Closing Date, and the delivery by the Company of the items required to be delivered by the Company at the Closing, all conditions to Buyer's obligations set forth in Section 6.1 and Section 6.2 of the Agreement and Plan of Merger have been satisfied.

(e) Buyer further represents and warrants that based upon current discussions with its lenders, Buyer believes in good faith it will be able to consummate the Closing of the Transaction by the revised Outside Date contained in this Amendment.

### 3. Amendment.

(a) Section 2.4(c)(ii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(ii) wire transfer to the Payment Agent, an amount equal to the Estimated Purchase Price less (A) the Escrow Amounts, (B) if applicable, the Extension Fee, and (C) if applicable, the Additional Extension Fee."*

(b) Section 6.2(f) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(f) The Company shall have delivered copies of the (i) audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2014 and 2015, in each case including ITV, (ii) unaudited carve-out financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2016, in each case excluding ITV, and (iii) monthly financial statements of the Company, in form reasonably satisfactory to Buyer, for each month subsequent to December 2016 through and including the most recent calendar month ending no later than sixty (60) days prior to the Closing, or such other date agreed upon between the Company and Buyer."*

(c) The following section is hereby added as Section 6.3(e) of the Agreement and Plan of Merger:

*"(c) Buyer shall have initiated the payments required under Section 2.4(e) simultaneously with the Closing."*

(d) Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(iii) the Closing shall not have occurred by November 1, 2017, which date may be extended by Buyer, subject to Section 8.3(a), and may be further extended pursuant to Section 8.1(d)(iv) or by a mutual written agreement (such date as may be extended, the "Outside Date"); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii) shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date."*

(e) The following sections are hereby added as Section 8.1(d)(iv) and 8.1(d)(iv) of the Agreement and Plan of Merger:

*"(iv) in the event the Company has not delivered the August 2017 financials required under Section 6.2(f)(iii) by 5:00 PM EST on November 14, 2017, the First Trigger Date specified in Section 8.3(a) shall deemed to be automatically extended on a day for day basis for each full day of such delay."*

*"(v) in the event Buyer had deposited the Additional Extension Fee specified in Section 8.3(a) and Company has not delivered the September 2017 financials required under Section 6.2(f)(iii) by 5:00 PM EST on December 8, 2017, the Second Trigger Date specified in Section 8.3(a) shall deemed to be automatically extended on a day for day basis for each full day of such delay."*

(f) The following section is hereby added as Section 8.3 of the Agreement and Plan of Merger:

"Section 8.3. Extension.

*(a) If the Closing shall not have occurred by November 1, 2017, Buyer may extend the Outside Date pursuant to Section 8.1(d)(iii) until November 28, 2017 (the "First Trigger Date") upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, a nonrefundable sum of \$100,000 on or prior to 5:00 PM EST on November 8, 2017 (the "Extension Fee") and may further extend the*

As J.R.

(c) The following section is hereby added as Section 6.3(e) of the Agreement and Plan of Merger:

"(a) Buyer shall have initiated the payments required under Section 2.4(e) simultaneously with the Closing."

(d) Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

"(iii) the Closing shall not have occurred by November 1, 2017, which date may be extended by Buyer, subject to Section 8.3(a), and may be further extended pursuant to Section 8.1(d)(iv) or by a mutual written agreement (such date as may be extended, the "Outside Date"); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii) shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of or shall have resulted in the failure of the Closing to occur before such date."

(e) The following sections are hereby added to Section 8.1(d)(iv) and 8.1(d)(v) of the Agreement and Plan of Merger:

"(iv) in the event the Company has not delivered the August 2017 financials required under Section 6.2(f)(ii) by 5:00 PM EST on November 14, 2017, the First Trigger Date specified in Section 8.3(a) shall deemed to be automatically extended on a day for day basis for each full day of such delay."

"(v) in the event Buyer had deposited the Additional Extension Fee specified in Section 8.3(a) and Company has not delivered the September 2017 financials required under Section 6.2(f)(iii) by 5:00 PM EST on December 9, 2017, the Second Trigger Date specified in Section 8.3(a) shall deemed to be automatically extended on a day for day basis for each full day of such delay."

(f) The following section is hereby added as Section 8.3 of the Agreement and Plan of Merger:

"Section 8.3 Extension.

(a) If the Closing shall not have occurred by November 1, 2017, Buyer may extend the Outside Date pursuant to Section 8.1(d)(iii) until November 28, 2017 (the "First Trigger Date") upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, a non-refundable sum of \$100,000 on or prior to 5:00 PM EST on November 9, 2017 (the "Extension Fee") and may further extend the

AS SET  
SIC

*Outside Date pursuant to Section 8.1(d)(iii) until December 22, 2017 (the "Second Trigger Date") upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, a nonrefundable sum of \$100,000 on or prior to 5:00 PM EST on the First Trigger Date (the "Additional Extension Fee").*

(b) *If the Closing shall not have occurred by November 1, 2017, and Buyer has not deposited the Extension Fee with the Payment Agent prior to 5:00 PM EST on ~~November 1, 2017~~ <sup>November 6, 2017</sup>, the Company's obligations under Section 5.11 of this Agreement shall be terminated and be of no further force or effect.*

(c) *If (i) all of the conditions to the Company's obligations to consummate the Transaction under Sections 6.1 and 6.3 have not been satisfied by Buyer (other than any such conditions which by their nature are to be satisfied at the Closing), (ii) all of the conditions to Buyer's obligations to consummate the Transaction under Sections 6.1 and 6.2 have been satisfied by the Company (other than any such conditions which by their nature are to be satisfied at the Closing), (iii) the Outside Date has not been further amended pursuant to the terms of this Agreement or a written instrument between the parties, and (iv) the Closing has not occurred by 5:00 PM EST on the Outside Date, then the Agreement and Plan of Merger will be deemed to be terminated pursuant to Section 8.1(d) and the parties agree that the Company shall have suffered a loss of an incalculable nature and amount, unrecoverable in law, and the Payment Agent shall, upon written instruction by the Company, not later than one Business Day after receipt of such notice, promptly pay to the Company the Extension Fee and Additional Extension Fee, which amount represents a reasonable estimate and agreed stipulation of such losses that have been negotiated by Buyer and the Company.*

(d) *If the Closing occurs on or before the Outside Date, the Extension Fee and the Additional Extension Fee, if applicable, shall be credited toward the Purchase Price payable by Buyer."*

(g) The following Definition in Annex A shall hereby be modified and amended to read in its entirety as follows:

*"Indemnity Escrow Amount" means \$400,000 in cash deposited at the Closing in the Indemnity Escrow Account with the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement; provided, however, if the PAL Litigation referenced in Schedule 3.15 is dismissed, withdrawn or otherwise finally resolved without any liability, obligation or restriction on the Company prior to the Escrow Release Date specified in Section 7.11, Buyer agrees that the Indemnity Escrow Amount shall be deemed to have automatically been reduced to \$250,000 and the Escrow Agent may release*

*Outside Date pursuant to Section 8.1(d)(ii) until December 22, 2017 (the "Second Trigger Date") upon written notice to the Company and deposit with the Payment Agent by wire transfer of immediately available funds, a nonrefundable sum of \$100,000 on or prior to 5:00 PM EST on the First Trigger Date (the "Additional Extension Fee")*

(b) *If the Closing shall not have occurred by November 1, 2017, and Buyer has not deposited the Extension Fee with the Payment Agent prior to 5:00 PM EST on the Outside Date, the Company's obligations under Section 5.11 of this Agreement shall be terminated and be of no further force or effect.*

(c) *If (i) all of the conditions to the Company's obligations to consummate the Transaction under Sections 6.1 and 6.2 have not been satisfied by Buyer (other than any such conditions which by their nature are to be satisfied at the Closing), (ii) all of the conditions to Buyer's obligations to consummate the Transaction under Sections 6.1 and 6.2 have been satisfied by the Company (other than any such conditions which by their nature are to be satisfied at the Closing), (iii) the Outside Date has not been further amended pursuant to the terms of this Agreement or a written instrument between the parties, and (iv) the Closing has not occurred by 5:00 PM EST on the Outside Date, then the Agreement and Plan of Merger will be deemed to be terminated pursuant to Section 8.1(d) and the parties agree that the Company shall have suffered a loss of an incalculable nature and amount, unrecoverable in law, and the Payment Agent shall, upon written instruction by the Company, not later than one Business Day after receipt of such notice, promptly pay to the Company the Extension Fee and Additional Extension Fee, which amount represents a reasonable estimate and agreed stipulation of such losses that have been negotiated by Buyer and the Company.*

(d) *If the Closing occurs on or before the Outside Date, the Extension Fee and the Additional Extension Fee, if applicable, shall be credited toward the Purchase Price payable by Buyer.*

(e) The following Definition in Annex A shall hereby be modified and amended to read in its entirety as follows:

*"Indemnity Escrow Amount" means \$400,000 in cash deposited at the Closing in the Indemnity Escrow Account with the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement; provided, however, if the PAL Litigation referenced in Schedule 3.15 is dismissed, withdrawn or otherwise finally resolved without any liability, obligation or restriction on the Company prior to the Escrow Release Date specified in Section 7.11, Buyer agrees that the Indemnity Escrow Amount shall be deemed to have automatically been reduced to \$250,000 and the Escrow Agent may release*

*\$150,000 to the Shareholders in proportion to their Percentage Interests upon written request from the Shareholders Representative."*

4. **Governing Law and Venue.** This Amendment shall be construed in accordance with the laws of the State of Florida.

5. **Severability.** If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

6. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

7. **Continuing Effect of Agreement and Plan of Merger.** Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.


**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**



IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

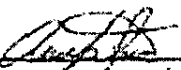
**COMPANY:**

T3 COMMUNICATIONS, INC.,  
a Florida corporation

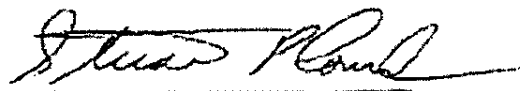
By:   
Name: Steven C. Jones  
Title: Chairman & EVP

**BUYER:**

SHIFTS TECHNOLOGIES, INC.,  
a Nevada corporation

By:   
Name: Arthur L. Smith  
Title: CEO

**SHAREHOLDERS REPRESENTATIVE:**

  
STUART CONRAD

**THIRD AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **THIRD AMENDMENT TO AGREEMENT AND PLAN OF MERGER** (this "Amendment"), effective as of the 22nd day of December, 2017 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

**WHEREAS**, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017, as amended by that certain First Amendment to Agreement and Plan of Merger dated August 10, 2017, and as further amended by that certain Second Amendment to Agreement and Plan of Merger effective as of October 31, 2017 (the "Agreement and Plan of Merger");

**WHEREAS**, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in a writing signed by both Buyer and Shareholder Representative; and

**WHEREAS**, the parties desire to further amend the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger.

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein and therein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto mutually agree and covenant as follows:

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. **Amendment**.

(a) Section 2.4(e)(ii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(ii) wire transfer to the Payment Agent, an amount equal to the Estimated Purchase Price less (A) the Escrow Amounts, (B) the Extension Fee, (C) the Additional Extension Fee, (D) the Third Extension Fee, if applicable, (E) the Fourth Extension Fee, if applicable, and (F) the Fifth Extension Fee, if applicable."*

(b) Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(iii) the Closing shall not have occurred by 5:00 PM EST on December 29, 2017, which date may be extended pursuant to a mutual written agreement (such date as may be extended, the “Outside Date”); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii) shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date.”*

(c) Section 8.3(a) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(a) If the Closing shall not have occurred by November 1, 2017, Buyer may: (i) extend the Outside Date pursuant to Section 8.1(d)(iii) until November 28, 2017 (the “First Trigger Date”) upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, a nonrefundable sum of \$100,000 on or prior to 5:00 PM EST on November 6, 2017 (the “Extension Fee”), (ii) further extend the Outside Date pursuant to Section 8.1(d)(iii) until December 22, 2017 (the “Second Trigger Date”) upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, a nonrefundable sum of \$100,000 on or prior to 5:00 PM EST on the First Trigger Date (the “Additional Extension Fee”), (iii) further extend the Outside Date pursuant to Section 8.1(d)(iii) until January 5, 2018 upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, an additional nonrefundable sum of \$25,000 on or prior to 5:00 PM EST on December 28, 2017 (the “Third Extension Fee”), (iv) further extend the Outside Date pursuant to Section 8.1(d)(iii) until January 12, 2018 upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, an additional nonrefundable sum of \$25,000 on or prior to 5:00 PM EST on January 12, 2018 (the “Fourth Extension Fee”), and (v) further extend the Outside Date pursuant to Section 8.1(d)(iii) until January 19, 2018 upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, an additional nonrefundable sum of \$25,000 on or prior to 5:00 PM EST on January 12, 2018 (the “Fifth Extension Fee”).”*

(d) Section 8.3(d) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(d) If the Closing occurs on or before the Outside Date, the Extension Fee, the Additional Extension Fee, the Third Extension Fee, if applicable, Fourth Extension Fee, if applicable, and Fifth Extension Fee, if applicable shall be credited toward the Purchase Price payable by Buyer."*

3. Governing Law and Venue. This Amendment shall be construed in accordance with the laws of the State of Florida.

4. Severability. If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

5. Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

6. Continuing Effect of Agreement and Plan of Merger. Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.

**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

**COMPANY:**

**T3 COMMUNICATIONS, INC.,**  
a Florida corporation



By: \_\_\_\_\_  
Name: Steven C. Jones  
Title: Chairman of the Board, Executive VP

**BUYER:**

**SHIFTS TECHNOLOGIES, INC.,**  
a Nevada corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SHAREHOLDERS REPRESENTATIVE:**

\_\_\_\_\_  
**STUART CONRAD**

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

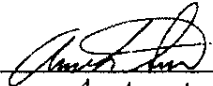
**COMPANY:**

**T3 COMMUNICATIONS, INC.,**  
a Florida corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BUYER:**

**SHIFT8 TECHNOLOGIES, INC.,**  
a Nevada corporation

By:  \_\_\_\_\_  
Name: Arthur L. Smith  
Title: CEO

**SHAREHOLDERS REPRESENTATIVE:**

\_\_\_\_\_  
**STUART CONRAD**

0

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

**COMPANY:**

**T3 COMMUNICATIONS, INC.,**  
a Florida corporation

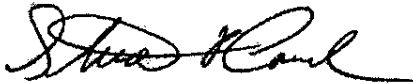
By:  
Name:  
Title:

**BUYER:**

**SHIFTS TECHNOLOGIES, INC.,**  
a Nevada corporation

By:   
Name:  
Title:

**SHAREHOLDERS REPRESENTATIVE:**



**STUART CONRAD**

SIGNATURE PAGE TO  
THIRD AMENDMENT TO AGREEMENT AND PLAN OF MERGER

**FOURTH AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **FOURTH AMENDMENT TO AGREEMENT AND PLAN OF MERGER** (this "Amendment"), effective as of the 19th day of January, 2018 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

**WHEREAS**, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017, as amended by that certain First Amendment to Agreement and Plan of Merger dated August 10, 2017, as further amended by that certain Second Amendment to Agreement and Plan of Merger effective as of October 31, 2017, and as further amended by that certain Third Amendment to Agreement and Plan of Merger made effective as of December 22, 2017 (the "Agreement and Plan of Merger");

**WHEREAS**, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in a writing signed by both Buyer and Shareholder Representative;

**WHEREAS**, the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger, has been extended to January 19, 2018 in accordance with the Agreement and Plan of Merger; and

**WHEREAS**, the parties desire to further amend the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger as set forth in this Amendment.

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein and therein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto mutually agree and covenant as follows:

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. **Representations and Warranties**.

(a) The Company represents and warrants that all of the representations and warranties contained in Article III of the Agreement and Plan of Merger are true and correct as of the date of this Amendment and the Company believes in good faith that such representations and warranties will be true and correct as of the Outside Date contained in this Amendment.



(b) Buyer represents and warrants that all of the representations and warranties contained in Article IV of the Agreement and Plan of Merger are true and correct as of the date of this Amendment except for Section 4.6 dealing with Buyer's Financial Ability. Buyer believes in good faith that such representations and warranties will be true and correct as of the Outside Date contained in this Amendment.

(c) Buyer further represents and warrants that based upon current discussions with its lenders, Buyer believes in good faith it will be able to consummate the Closing of the Transaction by the revised Outside Date contained in this Amendment.

3. **Amendment.**

(a) Section 2.4(e)(ii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(ii) wire transfer to the Payment Agent, an amount equal to the Estimated Purchase Price less (A) the Escrow Amounts, and (B) the Extension Fees paid as of the Closing Date."*

(b) Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(iii) the Closing shall not have occurred by 5:00 PM EST on February 16, 2018, which date may be extended by Buyer, subject to Section 8.3(a), and may be further extended by a mutual written agreement (such date as may be extended, the "Outside Date"); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii) shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date."*

(c) Section 8.3(a) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(a) If the Closing shall not have occurred by February 16, 2018, Buyer may: (i) extend the Outside Date pursuant to Section 8.1(d)(iii) until February 23, 2018 upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, an additional nonrefundable sum of \$35,000 on or prior to 5:00 PM EST on February 16, 2018 (the "Sixth Extension Fee"), and (ii) further extend the Outside Date pursuant to Section 8.1(d)(iii) until February 28, 2018 upon written notice to the Company and deposit with the Payment Agent, by wire transfer of immediately available funds, an additional nonrefundable sum of \$35,000 on or prior to 5:00 PM EST on February 23, 2018 (the "Seventh Extension Fee")."*

-----

(d) Section 8.3(c) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(c) If (i) all of the conditions to the Company’s obligations to consummate the Transaction under Sections 6.1 and 6.3 have not been satisfied by Buyer (other than any such conditions which by their nature are to be satisfied at the Closing), (ii) all of the conditions to Buyer’s obligations to consummate the Transaction under Sections 6.1 and 6.2 have been satisfied by the Company (other than any such conditions which by their nature are to be satisfied at the Closing), (iii) the Outside Date has not been further amended pursuant to the terms of this Agreement or a written instrument between the parties, and (iv) the Closing has not occurred by 5:00 PM EST on the Outside Date, then the Agreement and Plan of Merger will be deemed to be terminated pursuant to Section 8.1(d) and the parties agree that the Company shall have suffered a loss of an incalculable nature and amount, unrecoverable in law, and the Payment Agent shall, upon written instruction by the Company, not later than one Business Day after receipt of such notice, promptly pay to the Company the Extension Fees, which amount represents a reasonable estimate and agreed stipulation of such losses that have been negotiated by Buyer and the Company.”*

(e) Section 8.3(d) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(d) If the Closing occurs on or before the Outside Date, the Extension Fees shall be credited toward the Purchase Price payable by Buyer.”*

(f) The following Definition is added to Annex A:

*“Extension Fees” means the aggregate amount of \$100,000 deposited by the Buyer with the Payment Agent on or about November 6, 2017, the amount of \$100,000 deposited by the Buyer with the Payment Agent on or about November 28, 2017, the amount of \$25,000 deposited by the Buyer with the Payment Agent on or about December 28, 2017, the amount of \$25,000 deposited by the Buyer with the Payment Agent on or about January 5, 2018, the amount of \$25,000 deposited by the Buyer with the Payment Agent on or about January 12, 2018, the Sixth Extension Fee, if applicable, and the Seventh Extension Fee, if applicable.”*

4. Governing Law and Venue. This Amendment shall be construed in accordance with the laws of the State of Florida.

5. Severability. If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other persons or

circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

6. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.


7. **Continuing Effect of Agreement and Plan of Merger**. Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.

**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.


**COMPANY:**

**T3 COMMUNICATIONS, INC.,**  
a Florida corporation

By:   
Name: Steven C. Jones  
Title: Executive Vice President & Chairman of the Board

**BUYER:**

**SHIFT8 TECHNOLOGIES, INC.,**  
a Nevada corporation

By:   
Name: Arthur L. Smith  
Title: CEO


**SHAREHOLDERS REPRESENTATIVE:**

\_\_\_\_\_  
**STUART CONRAD**

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

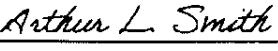
**COMPANY:**

T3 COMMUNICATIONS, INC.,  
a Florida corporation

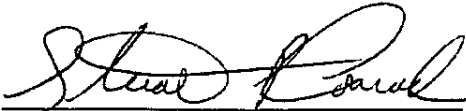
By:   
Name: Steven C. Jones  
Title: Executive Vice President & Chairman of the Board

**BUYER:**

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By:   
Name: Arthur L. Smith  
Title: CEO

**SHAREHOLDERS REPRESENTATIVE:**

  
STUART CONRAD

**FIFTH AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **FIFTH AMENDMENT TO AGREEMENT AND PLAN OF MERGER** (this "Amendment"), dated as of the 13th day of April, 2018 and effective as of the 28th day of February, 2018 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

**WHEREAS**, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017, as amended by that certain First Amendment to Agreement and Plan of Merger dated August 10, 2017, as further amended by that certain Second Amendment to Agreement and Plan of Merger effective as of October 31, 2017, as further amended by that certain Third Amendment to Agreement and Plan of Merger made effective as of December 22, 2017, and as further amended by that certain Fourth Amendment to Agreement and Plan of Merger made effective as of January 19, 2018 (the "Agreement and Plan of Merger");

**WHEREAS**, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in writing and must be signed by both Buyer and Shareholder Representative;

**WHEREAS**, the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger, has been extended to February 28, 2018 in accordance with the Agreement and Plan of Merger; and

**WHEREAS**, the parties desire to amend certain provisions of the Agreement and Plan of Merger as set forth in this Amendment.

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. **Representations and Warranties**.

(a) The Company represents and warrants that all of the representations and warranties contained in Article III of the Agreement and Plan of Merger, as amended by this Amendment, are true and correct as of the date of this Amendment and the Company believes in good faith that such representations and warranties will be true and correct as of the Outside Date contained in this Amendment.

(b) Buyer represents and warrants that all of the representations and warranties contained in Article IV of the Agreement and Plan of Merger are true and correct as of the date of this Amendment except for Section 4.6 dealing with Buyer's Financial Ability. Buyer believes in good faith that such representations and warranties

will be true and correct as of the Outside Date contained in this Amendment. Buyer further represents and warrants that based upon current discussions with its lenders, Buyer believes in good faith it will be able to consummate the Closing of the Transaction by the revised Outside Date contained in this Amendment.

3. **Amendment.**

(a) Section 1.4 of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“Section 1.4 Purchase Price. Buyer and the Company agree that the purchase price for the Company (the “Purchase Price”) shall equal (i) \$3,169,000, (ii) minus the Indebtedness not otherwise being assumed by Buyer pursuant to this Agreement as set forth on Schedule 2, if any, (iii) minus that portion of the Company Indebtedness and Company Closing Expenses to be paid by Buyer pursuant to Section 2.4(e)(i), if any, and (iv) plus any positive difference or minus any negative difference between the Net Working Capital on the Closing Date and the Target Net Working Capital; provided that no adjustment shall be made with respect to Net Working Capital unless the difference is at least \$25,000 in excess of or less than the Target Net Working Capital. Pursuant to Section 6.2(g), the Company shall have Cash on Hand as of Closing of not less than \$250,000 (“Closing Minimum Cash”), which, for the avoidance of doubt, shall be included in the calculation of Net Working Capital on the Closing Date.”*

(b) Section 2.2(a)(i) and (ii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(i) a certified copy of Company’s Articles of Incorporation from the Secretary of State of the State of Florida and all amendments thereto dated as of a date within sixty (60) days prior to the Closing Date and that no amendments to the Articles of Incorporation have taken place since the date of the certification, (ii) good standing certificates of the Company from its jurisdiction of organization and each jurisdiction in which it is qualified to do business as a foreign corporation, in each case dated within sixty (60) days of the Closing Date,”*

(c) Sections 2.2(k) of the Agreement and Plan of Merger is hereby be modified and amended to read in its entirety as follows:

*“(k) Reserved.”*

(d) Section 2.2(l) of the Agreement and Plan of Merger of the Agreement shall hereby be modified and amended to read in its entirety as follows:

*“(l) Reserved;”*

(e) Section 2.3(a)(i) and (ii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(i) a certified copy of Buyer’s Certificate of Incorporation from the Secretary of State of the State of Nevada and all amendments thereto dated as of a date within sixty (60) days prior to the Closing Date and that no amendments to Buyer’s Certificate of Incorporation have taken place since the date of the certification, (ii) good standing certificates of Buyer from Nevada and each jurisdiction in which it is qualified to do business as a foreign corporation, in each case dated within sixty (60) days of the Closing Date.”*

(f) Section 2.3(b)(i) and (ii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(i) a certified copy of Acquisition Company’s Articles of Incorporation from the Secretary of State of the State of Florida and all amendments thereto dated as of a date within sixty (60) days prior to the Closing Date and that no amendments to the Articles of Incorporation have taken place since the date of the certification, (ii) good standing certificates of Acquisition Company from Florida and each jurisdiction in which it is qualified to do business as a foreign entity, in each case dated within sixty (60) days of the Closing Date.”*

(g) Sections 2.3(e) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(e) Reserved;”*

(h) Section 2.4(e)(ii) and (iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in their entirety as follows:

*“(ii) wire transfer to the Payment Agent, an amount equal to the Estimated Purchase Price less the Working Capital Escrow Amount.*

*(iii) wire transfer to the Escrow Agent, an amount equal to the Working Capital Escrow Amount.”*

(i) Sections 2.4(f) of the Agreement and Plan of Merger is hereby deleted in its entirety.

(j) The second parenthetical in Section 2.5(d)(ii) of the Agreement and Plan of Merger (referencing the Indemnity Escrow Amount) is hereby be deleted in its entirety.

(k) Sections 3.2, 3.4, 3.6 through 3.8, 3.10, 3.12 through 3.22, and 3.24 of the Agreement and Plan of Merger shall each hereby be deleted in their entirety and each such Section shall read in its entirety as follows:



"Reserved."

(l) Section 4.6 of the Agreement and Plan of Merger shall hereby be modified and amended to read in their entirety as follows:

*"Section 4.6 Financial Ability. Buyer has immediately available funds in cash, or firm commitments from lenders, sufficient to pay the Purchase Price and all fees and expenses to be paid by Buyer. After giving effect to the consummation of the Transaction, Buyer will have the financial resources and ability to pay and discharge its debts as they become due. Schedule 4.6 attached hereto contains evidence of the amount of Buyer's Cash on Hand and financing commitments in amounts sufficient to cover the Purchase Price at Closing."*

(m) Section 5.2(g) of the Agreement and Plan of Merger shall hereby be modified and amended to read in their entirety as follows:

*"(g) without Buyer's consent, make any capital expenditures or commitments therefor other than those amounts up to \$250,000 in the aggregate."*

(n) Section 5.4 of the Agreement and Plan of Merger shall hereby be modified and amended to read in their entirety as follows:

*"Section 5.4 Company Update to Disclosures. Except as prohibited by law, the Company shall promptly notify Buyer in writing of all events, circumstances, facts and occurrences arising subsequent to the date of this Agreement which could result in any breach of a representation or warranty or covenant of the Company in this Agreement or which could have the effect of making any representation or warranty of the Company in this Agreement untrue or incorrect in any material respect. Upon delivery of such notice, the Company shall supplement or amend the Disclosure Schedules hereto with respect to any such matter hereafter arising or of which it becomes aware after the date hereof (each a "Schedule Supplement"). In determining whether there is a breach of any representation or warranty contained in Article III for purposes of the indemnification to be provided by the Company pursuant to Section 7.2, such representation or warranty shall be qualified by any information provided in the Amended and Restated Disclosure Schedules attached as Appendix A to the Fifth Amendment. Notwithstanding the above, any disclosure in any such Schedule Supplement delivered after the date of the Fifth Amendment, shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 6.2 have been satisfied; provided, however, that if Buyer has the right to, but does not elect to, terminate this*

Agreement within ten (10) Business Days of its receipt of such Schedule Supplement, then Buyer shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter and, further, shall have irrevocably waived its right to indemnification under Section 7.2 with respect to such matter.”

(o) Section 5.5 of the Agreement and Plan of Merger shall hereby be modified and amended to read in their entirety as follows:

“Section 5.5 Buyer Update to Disclosures. Except as prohibited by law, the Buyer shall promptly notify Company and the Shareholders Representative in writing of all events, circumstances, facts and occurrences arising subsequent to the date of this Agreement which could result in any breach of a representation or warranty or covenant of the Buyer in this Agreement or which could have the effect of making any representation or warranty of the Buyer in this Agreement untrue or incorrect in any material respect. Upon delivery of such notice, the Buyer shall supplement or amend the Disclosure Schedules hereto with respect to any such matter hereafter arising or of which it becomes aware after the date hereof (each such update, a “Schedule Supplement”). In determining whether there is a breach of any representation or warranty contained in Article IV for purposes of the indemnification to be provided by the Company pursuant to Section 7.3, such representation or warranty shall be qualified by any information provided in the Amended and Restated Disclosure Schedules attached as Appendix B to the Fifth Amendment. Notwithstanding the above, any disclosure in any such Schedule Supplement delivered after the date of the Fifth Amendment, shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 6.3 have been satisfied; provided, however, that if the Company has the right to, but does not elect to, terminate this Agreement within ten (10) Business Days of its receipt of such Schedule Supplement, then the Company shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter and, further, shall have irrevocably waived its right to indemnification under Section 7.3 with respect to such matter.”

(p) Section 6.2(a) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

“(a) The representations and warranties of the Company contained in ARTICLE III shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified

date, which shall be true and correct in all respects as of that specified date).”

(q) Section 6.2(f) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(f) The Company shall have delivered copies of the (i) audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2014 and 2015, in each case including ITV, (ii) unaudited carve-out financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2016, in each case excluding ITV, (iii) unaudited monthly financial statements of the Company, in forms reasonably satisfactory to Buyer, for each month subsequent to December 2016 through and including December 31, 2017, provided, that Buyer understands and acknowledges that the December 2017 monthly financial statements are subject to year-end audit and other closing adjustments, (iv) to the extent available, a preliminary draft of revenue and cost of goods sold information for January 2018, and (v) to the extent available, preliminary drafts of revenue for February and March 2018, it being understood that any deficiencies relating to the information described Sections 6.2(f)(iv)-(v) shall not be deemed to be a failure to have met the Conditions to Obligations of Buyer and shall not be grounds to delay the Closing beyond the Outside Date.”*

(r) Section 6.2(k) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(k) No more than 30% of the total outstanding Shares of the Company shall be Dissenting Shares; none of which shall be held by any of Josh Reel, Steven Jones, Randall Henderson, Tad Yeatter and Stuart Conrad or any of their Affiliates, or any other Shareholder that collectively with their respective Affiliates holds 5% or more of the outstanding Shares of the Company immediately prior to execution of this Agreement or the Closing.”*

(s) Section 7.1 of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“Section 7.1 Survival. The representations and warranties contained in ARTICLE III, and ARTICLE IV shall survive the Closing and shall terminate on the following dates:*

*(a) with respect to representations and warranties contained in (i) ARTICLE III and (ii) Section 4.1 (Organization and Power), Section 4.2 (Authorization: Valid and Binding Agreement) and Section 4.5 (Brokerage) (collectively, the “Buyer Fundamental Representations”), such representations and warranties shall survive until the sixtieth (60th) day following the expiration of their*

respective statute of limitations (the "Fundamental Representations Expiration Date");

(b) with respect to all other representations and warranties in ARTICLE IV, such representations and warranties shall survive for the twenty-four (24) months after the Closing Date (the "General Representations Expiration Date").

All covenants and agreements of the Company, the Shareholders and Buyer contained in this Agreement that are to be performed in whole or in part after the Closing Date shall survive in accordance with their respective terms, it being understood that, other than as provided in Section 7.2(c), no covenant or agreement by the Company contained in this Agreement requiring performance by the Company at or before the Closing shall survive the Closing Date."

(t) Section 7.2 of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

"Section 7.2 Indemnification of Buyer. From and after the Closing (but subject to the provisions of this ARTICLE VII), Buyer and its Affiliates, officers, directors, employees, agents, successors and assigns (the "Buyer Indemnitees") shall be indemnified by the Shareholders, severally and not jointly (and limited to the amount of their respective Distributable Net Purchase Price amount), in respect of any and all losses, liabilities, claims, damages, penalties, fines, judgments, awards, settlements, costs, fees and expenses (including reasonable costs of investigation and defense and reasonable accountants', experts' and attorneys' fees and expenses) (individually, a "Loss" and collectively, "Losses"), whether or not involving a third party claim, suffered or incurred by the Buyer Indemnitees to the extent such Loss results from or arises out of:

- (a) a breach of any representation or warranty of the Company contained in ARTICLE III of this Agreement;
- (b) any Company Closing Expenses or Indebtedness of the Company outstanding as of the Closing to the extent not deducted in the determination of the Purchase Price;
- (c) a breach of the covenant or agreement by the Company contained in Sections 5.2(g), (i), or (j); and
- (d) Shareholder Taxes to the extent not deducted in the determination of the Purchase Price."

(u) Section 7.4(a) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(a) Notwithstanding anything to the contrary set forth in this Agreement, even if a Buyer Indemnitee would otherwise be entitled to indemnification for a Loss pursuant to Section 7.2, such Buyer Indemnitee shall not be entitled to indemnification for a Loss pursuant to such Section except to the extent the aggregate amount of all Losses eligible for indemnification pursuant to Section 7.2 exceeds on a cumulative basis an amount equal to \$400,000 (the “Deductible”), but then only to the extent such Losses exceed the Deductible. No Buyer Indemnitee shall be entitled to any indemnification pursuant to this Agreement from an individual Shareholder in excess of the actual consideration received by such Shareholder pursuant to this Agreement. All payments under this ARTICLE VII shall be treated by the parties as an adjustment to the proceeds received by the applicable Shareholder pursuant to Section 2.4 and Section 2.5.”*

(v) Section 7.6(f) of the Agreement and Plan of Merger shall hereby be deleted in its entirety.

(w) Sections 7.10(a) and (b) of the Agreement and Plan of Merger shall hereby be modified and amended to read in their entirety as follows:

*“(a) Reserved.*

*(b) Subject to the limitations set forth in Section 7.4, if and to the extent the amount of any Losses to be paid to a Buyer Indemnitee at any time under this ARTICLE VII is greater than the Deductible, then each Shareholder will be responsible for their Pro Rata Share of such shortfall (the “Loss Shortfall”); provided that the total amount of the Loss Shortfall shall never exceed the total amount of Losses incurred by the Buyer Indemnitees, less any amounts previously or contemporaneously funded by payments from the Shareholders. No later than ten (10) Business Days following receipt of written notice from the Buyer with the final determination of their Pro Rata Share of the amount of such Loss Shortfall, each Shareholder shall pay to Buyer in cash, by wire transfer of immediately available funds to an account designated in writing by Buyer, its Pro Rata Share of the amount of such Loss Shortfall; provided that, for the avoidance of doubt, no payment hereunder by an individual Shareholder shall be in excess of the portion of the Distributable Net Purchase Price received by such Shareholder pursuant to this Agreement.”*

(x) Sections 7.11 of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“Section 7.11 Reserved”*

(y) The third sentence in Section 7.12 of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“Buyer agrees that it will negotiate in good faith with the Shareholders Representative to determine a mutually agreeable amount of any Tax Benefit, if any, realized by the Company in connection with the payment of any expenses that gave rise to an indemnification payment or payments, which amount shall be paid to the Payment Agent by the Company within five (5) business days of the date on which such amounts are determined.”*

(z) Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(iii) the Closing shall not have occurred by 5:00 PM EST on April 20, 2018, which date may be extended by a mutual written agreement (such date as may be extended, the “Outside Date”); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii) shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date.”*

(aa) Section 9.1(d) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*“(d) Any out-of-pocket costs and expenses reasonably incurred by the Shareholders Representative in connection with actions taken in performance of its duties hereunder will be reimbursed from the Shareholders, in each case on a pro rata basis in proportion to each such Shareholder's Percentage Interest as of the date hereof. In no event shall Buyer, Acquisition Company or the Company or any of their respective Affiliates or Representatives have any obligation to reimburse the Shareholders Representative for all or any portion of any costs or expenses of the Shareholders Representative.”*

(bb) The following Definitions in Annex A shall hereby be modified and amended to read in its entirety as follows:

*““Dissenting Shares” shall have the meaning set forth in Section 1.5.*

*“Financial Statements” shall mean (i) the unaudited consolidated balance sheet of the Company, excluding ITV, as of December 31, 2016 and the related consolidated statements of operations and cash flows for the twelve (12)-month period then ended, (ii) the unaudited consolidated balance sheet of the Company, excluding ITV, as of December 31, 2017 and the related consolidated statements of operations and cash flows for the twelve (12)-month period then ended (iii) the unaudited consolidated balance sheet and related consolidated statements of*

operations and cash flows of the Company as of and for the fiscal years ended December 31, 2015 and 2014, in each case excluding ITV, and (iv) the audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2014 and 2015, in each case including ITV.

*"Latest Balance Sheet" shall mean the unaudited consolidated balance sheet of the Company, excluding ITV, as of December 31, 2017.*

*"Payment Agent Agreement" means the Payment Agent Agreement dated October 31, 2017 by and among the Company, Shareholders Representative, Buyer and the Payment Agent, as amended on December 22, 2017 and January 18, 2018."*

*"Tax Benefit" shall have the meaning set forth in Section 7.12."*

(cc) The following Definitions shall hereby be added to Annex A:

*"Fifth Amendment" means the Fifth Amendment to Agreement and Plan of Merger dated as of April 13, 2018 and effective as of February 28, 2018."*

(dd) The following Definitions shall hereby be deleted from Annex A in their entirety: (i) Anti-Corruption Laws, (ii) Cap, (iii) Company's knowledge, (iv) Employment Agreement, (v) Environmental Laws, (vi) ERISA, (vii) ERISA Affiliate, (viii) Escrow Amounts, provided that each reference to "Escrow Amounts" in the Agreement and Plan of Merger shall be modified and amended to the "Working Capital Escrow Amount", (ix) FCPA, (x) Hazardous Substance, (xi) Indemnity Escrow Account, (xii) Indemnity Escrow Amount, (xiii) Key Employees, (xiv) Material Contracts; (xv) Pension Plans, (xvi) Plans; (xvii) Qualified Plan, and (xviii) Welfare Plan.

(ee) Effective as of the date of this Amendment, the Disclosure Schedules of the Company attached to the Agreement and Plan of Merger shall be amended and restated in their entirety, and replaced by the Amended and Restated Company Disclosure Schedule attached hereto as **Annex A**.

(ff) Effective as of the date of this Amendment, the Disclosure Schedules of Buyer and the Acquisition Company attached to the Agreement and Plan of Merger shall be amended and restated in their entirety, and replaced by the Amended and Restated Buyer and Acquisition Company Disclosure Schedule attached hereto as **Annex B**.

(gg) **Exhibit C** to the Agreement and Plan of Merger is hereby deleted in its entirety together with all references thereto.

4. **Governing Law and Venue**. This Amendment shall be construed in accordance with the laws of the State of Florida.

5. **Severability**. If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable,

the remainder of this Amendment and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

6. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

7. **Continuing Effect of Agreement and Plan of Merger.** Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.

**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**



IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

COMPANY:

T3 COMMUNICATIONS, INC.,  
a Florida corporation

By: ATC  
Name: Steven C. Jones  
Title: Chairman & EVP

BUYER:

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SHAREHOLDERS REPRESENTATIVE:

\_\_\_\_\_  
STUART CONRAD

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

COMPANY:

T3 COMMUNICATIONS, INC.,  
a Florida corporation

By: ATC. Jones  
Name: Steven C. Jones  
Title: Chairman & CEO

BUYER:

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By: Arthur L. Smith  
Name: Arthur L. Smith  
Title: CEO

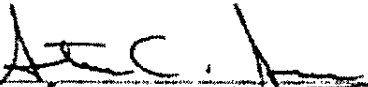
SHAREHOLDERS REPRESENTATIVE:

STUART CONRAD

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

COMPANY:

T3 COMMUNICATIONS, INC.,  
a Florida corporation

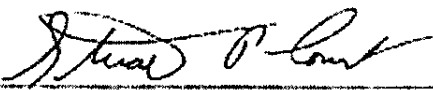
By:   
Name: Steven C. Jones  
Title: Chairman & EVP

BUYER:

SHIFTS TECHNOLOGIES, INC.,  
a Nevada corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SHAREHOLDERS REPRESENTATIVE:

  
STUART CONRAD

**Annex A**

**Amended and Restated Disclosure Schedule of the Company**

EXECUTION

*STRICTLY PRIVATE AND CONFIDENTIAL DRAFT FOR DISCUSSION PURPOSES*

**AMENDED AND RESTATED DISCLOSURE SCHEDULES**

**to**

**AGREEMENT AND PLAN OF MERGER**

by and among

Shift8 Technologies, Inc., as Buyer,

T3 Acquisition, Inc., as Acquisition Company,

and

T3 Communications, Inc., as Company

Amended and Restated as of April 13, 2018

## DISCLOSURE SCHEDULES

The information contained in these Disclosure Schedules provides exceptions to or otherwise qualifies the representations, warranties and covenants of T3 Communications, Inc., a Florida Company ("Company") contained in that certain Agreement and Plan of Merger, dated as of May 8, 2017 (as amended or modified in accordance with its terms, the "Agreement"), by and between Company, Shift8 Technologies, Inc., a Nevada corporation ("Buyer") and T3 Acquisition, Inc., a Florida corporation and subsidiary of Buyer ("Acquisition Company"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

These Disclosure Schedules shall be construed with and as an integral part of the Agreement to the same extent as if the same had been set forth verbatim therein. The specific disclosures set forth in these Disclosure Schedules have been organized to correspond to the section references in the Agreement to which the disclosure may be most likely to relate, together with appropriate cross references when disclosure is applicable to other sections of the Agreement; provided, however, that any fact or item disclosed in any Schedule of these Disclosure Schedules shall be deemed to be disclosed with respect to another Schedule whether or not a specific cross-reference thereto appears, to the extent that it is reasonably apparent on its face that the disclosure of such matter is applicable to such Schedule of the Disclosure Schedules, including in cases where the corresponding section or subsection of these Disclosure Schedules includes the phrase "No disclosure". Inclusion of information in these Disclosure Schedules will not be construed as an admission that such information is material to the operations or condition (financial or otherwise) of the Company or of the Business or that such information is required to be referred to or disclosed in accordance with the Agreement. The Disclosure Schedules are qualified in their entirety by reference to the provisions of the Agreement and are not intended to constitute, and shall not be construed as constituting, representations and warranties of Company except as and to the extent expressly provided in the Agreement, and shall not be deemed to expand the scope or effect of any representations or warranties in the Agreement. No disclosure of any matter in these Disclosure Schedules relating to any possible noncompliance, breach or violation of any Law, or of any contract, license, or similar document or instrument, shall be construed as an agreement or acknowledgment that any such noncompliance, breach or violation exists or has actually occurred, and nothing in these Disclosure Schedules shall constitute an admission of any liability or obligation of Company or any of its Affiliates to any Person or shall confer or give to any Person any remedy, claim, reimbursement, cause of action or other right against Company or any of its Affiliates. Matters disclosed in these Disclosure Schedules are not necessarily limited to matters required to be disclosed by the Agreement. Such additional matters are disclosed for informational purposes and do not necessarily include other matters of a similar nature. For the avoidance of doubt, the phrase "No disclosure" used herein shall in no way limit or affect the application of the foregoing in these Disclosure Schedules.

The headings contained in these Disclosure Schedules are for reference purposes only and shall not in any way affect the meaning or interpretation of the information and disclosures contained in these Disclosure Schedules.

Where only brief particulars of a matter are set out or referred to in the Disclosure Schedules or a reference is made only to a particular part of a disclosed document, full particulars of the matter

and the full contents of the document are deemed to be disclosed to the extent such brief particular of such matter or reference to a particular part of a disclosed document has been disclosed in a manner that it would reasonably be apparent that the omitted information with respect to such matters should be incorporated therein.

Any descriptions of contracts, license, or similar documents or instruments, or reports or other documents, set forth in these Disclosure Schedules are summaries only and are qualified in their entirety by the specific terms of such contracts, licenses, or similar documents or instruments, or reports or other documents.

The specification of any dollar amount in the representations or warranties contained in the Agreement or the inclusion of any specific item in any Disclosure Schedule is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation items or matter not described herein or included in a Disclosure Schedule is or is not material for purposes of the Agreement.

In disclosing the information contained in these Disclosure Schedules, Shareholders and Company expressly do not waive any attorney-client or other privileges associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed herein.

The attachments to these Disclosure Schedules form an integral part of these Disclosure Schedules and are incorporated by reference for all purposes as if set forth fully herein.

---

**Schedule 1**  
**T3 SHAREHOLDERS, SHARES AND OPTIONS HELD, PERCENTAGE INTERESTS,**  
**DISTRIBUTABLE NET PURCHASE PRICE & PRO RATA SHARE OF**  
**DISTRIBUTABLE NET PURCHASE PRICE**

See Attached (to be inserted just prior to Closing with figures based on the estimated purchase price)



**Schedule 2**  
**EQUIPMENT LEASES ASSUMED BY BUYER**

(As of date of Merger Agreement)

1. Royal Bank America Leasing Schedule #6

Equipment: a) 10 APC Model AR 3100 Cabinets  
b) 20 AP 7930 PDUs  
c) 1 Juniper Router Model 1-MX480 Premium-AC

Lease Amt: \$45,475.00  
Start Date: 5/15/15  
End Date: 4/15/18  
Monthly Pmt: \$ 1,414.81  
Interest Rate: 7.512%  
3/15/18 Bal: \$1,405.84  
Amortization: See Schedule 2(a)

2. Royal Bank America Leasing Schedule #7

Equipment: a) 1 Juniper MX240 Base-DC  
b) 1 DPCE-R-20GE-2XGE

Lease Amt: \$19,375.00  
Start Date: 8/15/15  
End Date: 7/15/18  
Monthly Pmt: \$ 603.00  
Interest Rate: 7.536%  
3/15/18 Bal: \$2,374.73  
Amortization: See Schedule 2(b)

3. Up to \$150,000 of other lease financing that may be put in place by the Company prior to the Closing.

**Schedule 2.4(b)**  
**ESTIMATED INDEBTEDNESS TO BE PAID OFF AT CLOSING**

(As of 4/5/18, with the final balance to be updated prior to Closing)

1. American Express Corporate Credit Card

4/10/18 Balance – \$11,570.00\*

\*To the extent the Company is unable to pay off this balance prior to closing, this will become a purchase price adjustment for assumed indebtedness.

**Schedule 2.4(c)**  
**ESTIMATED COMPANY CLOSING EXPENSES**

(As of date of Merger Agreement, with the final balance to be updated prior to Closing)

<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1. Josh Reel	\$224,000	Retention Pmt & Stock-based Comp Pmt
2. Steven C. Jones	\$ 77,000	Board change of control payment
3. Randy Henderson	\$ 57,000	Board change of control payment
4. Stuart Conrad	\$ 57,000	Board change of control payment
5. Tad Ycatter	\$ 57,000	Board change of control payment
6. IX Advisors (Vik Grover)	\$ 32,000	Finders' fee agreement
7. K&L Gates	\$ 98,000	Transaction legal expenses
8. Aspen Capital Advisors, LLC	\$ 60,400	Transaction consulting fees
9. Stuart Conrad	\$ 20,000	Shareholders Representative fee
10. Jennifer Crisp	\$ 10,000	Transaction bonus
11. Wilmington Trust	\$ 1,750	Escrow Fee
12. Lott & Gaylor Insurance	\$ 9,269	D&O Insurance Runoff Policy
13. All others	<u>\$ 0</u>	
Total	\$703,419	

**Schedule 3**  
**RELOCATION**

“Relocation” means, to the extent that it occurs, and subject to Section 5.2, the relocation, to occur prior to the Closing unless otherwise agreed by the parties, of the Company’s operations currently located at 2401 First Street, Suite 300, Fort Myers, Florida 33901 to a location to be identified by the Company after the date of this Agreement, which location shall be reasonably acceptable to Buyer (the “New Property”). The term “Relocation” shall include all actions reasonably necessary to effect the transfer of the Company’s operations as described in the immediately preceding sentence, including, but not limited to:

- the entering into by the Company of a lease, at a location and on terms reasonably acceptable to Buyer, for the New Property;
- the incurrence of up to \$250,000 (or such other amount as may be agreed to by Buyer) of Indebtedness solely for the purpose of effecting the Relocation; and
- the making of capital expenditures or commitments therefor in an amount not in excess of \$250,000 (or such other amount as may be agreed to by Buyer) solely for the purposes of effecting the Relocation.

**\*The Relocation has not occurred as of the date of the Fifth Amendment and shall not occur prior to the Closing. Following the Merger, the Company may choose to effect a relocation of its operations.**

**Schedule 3.9(b)**  
**LEASED REAL PROPERTY**

1. 2401 First Street, Unit 300, Fort Myers, FL 34901.

The Company is a party to that certain "Office Lease Agreement", dated July 15, 2012, with Viking Center, LLC pursuant to which it leases approximately 6,800 gross square feet of floor area. The lease is a net lease with a five year term, commencing on October 1, 2012 and originally due to terminate on September 30, 2017. The term of the lease has been extended pursuant to the addendum discussed in the subsequent paragraph. The Base Rent at the beginning of the lease was \$56,664 per year (\$4,722/mo or approximately \$8.33/sf), but was subject to a 3% increase each year thereafter. In addition to the Base Rent, the Company pays certain taxes, insurance, and Common Area Maintenance charges.

The Company entered into an Addendum to the Office Lease Agreement on December 1, 2017, extending the current lease to November 30, 2020. The Base Rent is \$5,314.65 per month and is subject to a 3% increase each year thereafter. In addition to the Base Rent, the Company pays certain taxes, insurance, and Common Area Maintenance charges.

**Schedule 3.11(a)**  
**EXTENSION OF TIME TO FILE 2016 FEDERAL & STATE TAX RETURNS**

The Company has or will file extensions for its 2017 Federal and Florida State tax returns.

The Company made estimated Federal tax payments of \$116,667 for its estimated 2017 tax liability during FY 2017. The Company filed its 2017 Federal Extension on 4/5/18.

The Company made estimated Florida state tax payments of \$14,617 for its 2017 Florida state tax liability during 2017. The Company filed its 2017 Florida Extension on 4/5/18.

**Schedule 3.11(j)**

**STATES WHERE STATE TAX MIGHT BE DUE**

During the last three (3) years, the Company has provided services to a de-minimus number of customers outside the state of Florida that theoretically would give rise to certain State sales and other communications taxes being due. However, based on the advice of its outside tax advisors, the Company determined there was no material risk to not becoming a filer for such state taxes. Listed below is a table of the amounts that would have theoretically been due if the Company had become a filer in such states:

	2014					2015					2016					2017					2018 to-date					Totals	
	Totals					Totals					Totals					Totals					Totals					Taxable Revenue	Total Tax Amt
GA-Georgia	FCC Reg Fee	\$ -	\$ -	\$ 0.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.05	\$ 0.05		
	State Sales Tax	\$ -	\$ -	\$ 2.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51.80	\$ 2.14		
	FUSF	\$ -	\$ 0.04	\$ 1.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.28	\$ 2.02		
	GA USF	\$ -	\$ -	\$ 1.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53.57	\$ 1.93		
	SPL/ED	\$ -	\$ -	\$ 1.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51.80	\$ 1.07		
		\$ -	\$ 0.04	\$ 7.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.21	\$ -	
IA-Iowa	Local Option Sales Tax	\$ -	\$ -	\$ 0.08	\$ 0.37	\$ 0.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49.18	\$ 0.48		
	FCC Reg Fee	\$ 14.16	\$ 4.80	\$ 19.06	\$ 48.58	\$ 23.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,532.01	\$ 110.56		
	E911 Service Charge	\$ 33.00	\$ 36.00	\$ 27.00	\$ 18.00	\$ 3.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,881.55	\$ 117.00		
	State Sales Tax	\$ 40.88	\$ 30.03	\$ 30.54	\$ 56.73	\$ 44.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,115.87	\$ 202.73		
	FUSF	\$ 137.57	\$ 46.55	\$ 191.96	\$ 411.63	\$ 204.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,532.01	\$ 991.94		
	\$ 225.61	\$ 117.38	\$ 268.64	\$ 535.31	\$ 275.77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,146.94	\$ -		
IL-Illinois	RTA Charge	\$ 0.19	\$ -	\$ 0.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 0.38		
	County Sales Tax	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25.00	\$ 0.06		
	FCC Reg Fee	\$ 4.86	\$ 2.20	\$ 0.27	\$ 304.07	\$ 0.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,118.62	\$ 312.00		
	State Excise Tax	\$ 89.25	\$ 45.98	\$ 7.76	\$ 24.34	\$ 10.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,232.61	\$ 177.73		
	State IMF	\$ 6.35	\$ 3.29	\$ 0.55	\$ 1.74	\$ 0.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,232.61	\$ 12.67		
	State Sales Tax	\$ 1.56	\$ -	\$ 1.56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00	\$ 3.12		
	FUSF	\$ 179.15	\$ 85.20	\$ 13.23	\$ 51.14	\$ 30.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,118.62	\$ 359.57		
	USF	\$ (0.03)	\$ 0.74	\$ 0.98	\$ 3.46	\$ 1.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486.49	\$ 6.82		
	\$ 281.39	\$ 137.41	\$ 24.54	\$ 384.75	\$ 44.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 828.09	\$ -		
MI-Michigan	FCC Reg Fee	\$ (0.44)	\$ 2.11	\$ 1.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706.73	\$ 2.98		
	Livingston CO Tech 911	\$ 2.58	\$ 2.58	\$ 1.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,406.40	\$ 6.69		
	County 911 Charge	\$ 20.04	\$ 20.04	\$ 11.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,406.40	\$ 51.77		
	County 911 Charge	\$ 2.28	\$ 2.28	\$ 1.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,406.40	\$ 5.89		
	MI Restruct Mech Fee	\$ 21.18	\$ 19.39	\$ 14.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,344.07	\$ 55.30		
	State Use Tax	\$ 230.89	\$ 202.23	\$ 120.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,050.80	\$ 553.93		
	State 911 Charge	\$ 2.04	\$ 2.04	\$ 1.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,406.40	\$ 5.27		
	State 911 Charge	\$ 0.24	\$ 0.24	\$ 0.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,406.40	\$ 0.62		
	FUSF	\$ (17.25)	\$ 78.88	\$ 61.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706.73	\$ 123.38		
	\$ 261.56	\$ 329.79	\$ 214.48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 805.83	\$ -		
MN-Minnesota	County Sales Tax	\$ 2.41	\$ 9.27	\$ 9.18	\$ 9.82	\$ 2.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,554.16	\$ 33.42		
	FCC Reg Fee	\$ (1.58)	\$ 2.60	\$ 2.68	\$ 3.18	\$ 0.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434.70	\$ 7.84		
	State Sales Tax	\$ 131.41	\$ 126.73	\$ 126.05	\$ 134.42	\$ 37.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,005.35	\$ 556.19		
	911/Tele-Relay/Tap Charge	\$ 41.92	\$ 13.35	\$ 12.50	\$ 12.36	\$ 3.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,929.78	\$ 83.22		
	FUSF	\$ (13.58)	\$ 27.88	\$ 27.68	\$ 27.37	\$ 8.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434.73	\$ 77.44		
	\$ 661.52	\$ 814.68	\$ 592.52	\$ 187.15	\$ 52.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,255.87	\$ -		
TX-Texas	City Sales Tax	\$ -	\$ -	\$ -	\$ 0.22	\$ 0.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42.67	\$ 0.76		
	State Cost-Recovery Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42.67	\$ -		
	State Sales Tax	\$ -	\$ -	\$ -	\$ 0.79	\$ 1.89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42.67	\$ 2.68		
		\$ -	\$ -	\$ -	\$ 1.01	\$ 2.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42.67	\$ 2.68	
Grand Total																						\$ 2,789.08					





**Schedule 3.23**

**BROKERAGE (Company)**

The Company has a verbal understanding with Vikram P. Grover d/b/a IX Advisors (“IXA”), a broker in connection with Transaction, to pay 1% of any transaction consideration in cash for any transactions in which Mr. Grover introduced the buyer to T3. T3 plans to pay such commission as part of the Company Closing Expenses.

**Annex B**

**Amended and Restated Disclosure Schedule of Buyer and the Acquisition Company**

**Schedule 4.5**

**BROKERAGE (Acquisition Company)**

Vikram P. Grover d/b/a IX Advisors ("IXA") is broker in connection with Transaction based on that certain Letter Agreement dated July 27, 2017, by and between IXA and the Buyer, as amended.

---

**Schedule 4.6**

**Financial Ability**

Buyer will have on the Closing Date, sufficient immediately available funds in cash to pay the Purchase Price and all fees and expenses to be paid by Buyer.

**[See attached]**

Basic Banking

Account Details

Account Special Purpose 00000715000092 USD

Statement

X

Opening Day Balance

0.00 USD

Available Balance

0.00 USD

Interest Earned This Period

0.00 USD

Interest Paid This Period

0.00 USD

Account Activity

ⓘ SUS111 No records. Change your filters and try again.

Filters Applied At Transactions Current/Previous Day

Amount USD

Print



**THERMO** Credit, LLC

April 9, 2018

Mr. Stuart Conrad  
Shareholders Representative  
T3 Communications, Inc.

Dear Mr. Conrad,

Thermo Credit, LLC ("Thermo Credit") has a long-standing business relationship with Shift8 Networks, Inc., Shift8 Technologies, Inc., and Digerati Technologies, Inc. (collectively "Shift8") that originated in August 2010. We are pleased to confirm that Thermo Credit and an affiliated entity will be funding up to \$750,000 for the closing of Shift8's acquisition of T3 Communications, Inc.

If you should have additional questions please do not hesitate to contact me either by email, [seth@thermocredit.com](mailto:seth@thermocredit.com), or via phone, (504) 620-3101.

Sincerely,

  
Seth Block  
Executive Vice President



**DAVID KAHAN, P.A.**  
ATTORNEYS AT LAW

---

April 10, 2018

Mr. Art Smith  
Shift8 Networks

Re: Credit Facility between TCA Global Credit Master Fund, LP ("**TCA**") and Digerati Technologies, Inc., Shift8Networks, Inc., and other credit parties (collectively, the "**Credit Parties**")

Dear Mr. Smith:

This firm represents TCA in connection with a proposed credit facility between TCA and the Credit Parties. In this regard, please be advised that TCA has approved (subject to the conditions identified below) a credit facility for the Credit Parties with an initial funding amount of \$1,350,000, which sums are contemplated to be funded to the Credit Parties at closing (subject to adjustments in accordance with the credit agreement), subject to completion and execution of final loan documents, satisfactory completion of TCA's due diligence, and satisfaction of other conditions precedent as set forth in the credit agreement. It is our understanding that the proceeds of this loan are to be used towards the purchase price for the acquisition of T3 Communications, Inc.

In the event you have any questions regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

DAVID KAHAN, P.A.

/s/ David Kahan

David Kahan

cc: Ms. Donna Silverman



NGID, LLC.  
10226 San Pedro Ave #110  
San Antonio, Texas 78216

April 12, 2018

Arthur L. Smith  
CEO  
Digerati Technologies, Inc.  
1600 NE Loop 410, Suite 126  
San Antonio, Texas 78209

Dear Mr. Smith:

This letter is to certify that \$600,000 of the cash listed in the attached Exhibit "A" is committed, subject to, among other things, conditions set out below, to the closing of your acquisition of T3 Communications, Inc. ("T3 Transaction") as an equity financing or underwriting of a convertible debt or equity instrument with Digerati Technologies, Inc.

NGID, LLC may terminate its obligations under this letter if any material information submitted to them proves to have been inaccurate or incomplete in any material respect, or if any material adverse change occurs as it pertains to the T3 Transaction.

Sincerely,

NGID, LLC  
By: Danny Mills, CEO

*Danny Mills*



EXHIBIT A

Customer Information File Inquiry For: NAA0127  
NGID, LLC



PREVIOUS < SUBMIT > EXIT F4

10226 SAN PEDRO AVE # 110  
SAN ANTONIO TX 78216

Short name NGID, LLC  
Tax ID number 46-4275353  
Class LLC  
Language ENGLISH

SPECIAL MESSAGES. >

	Num	Deposits	Avg Rate	Num	Loan Balance	Avg Rate	Other
Direct	1	1,650,633.88	.5000%	0	.00	.0000%	0
Indirect	0	.00	.0000%	0	.00	.0000%	0
Related	0	.00	.0000%	0	.00	.0000%	0

SELECT ✓

Account Number	Type	Relationship	Balance	Remarks	A/A
3000008965	COM MM		1,650,633.88		

**SIXTH AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **SIXTH AMENDMENT TO AGREEMENT AND PLAN OF MERGER** (this "Amendment"), dated as of the 20th day of April, 2018 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

**WHEREAS**, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017, as amended by that certain First Amendment to Agreement and Plan of Merger dated August 10, 2017, as further amended by that certain Second Amendment to Agreement and Plan of Merger effective as of October 31, 2017, as further amended by that certain Third Amendment to Agreement and Plan of Merger made effective as of December 22, 2017, as further amended by that certain Fourth Amendment to Agreement and Plan of Merger made effective as of January 19, 2018, and as further amended by that certain Fifth Amendment to Agreement and Plan of Merger made effective as of February 28, 2018 (the "Agreement and Plan of Merger");

**WHEREAS**, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in writing and must be signed by both Buyer and Shareholder Representative;

**WHEREAS**, the Outside Date, as defined in Section 8.1(d)(iii) of the Agreement and Plan of Merger, has been extended to April 20, 2018 in accordance with the Agreement and Plan of Merger; and

**WHEREAS**, the parties desire to further extend the Outside Date as set forth in this Amendment.

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. **Amendment**.

(a) Section 8.1(d)(iii) of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"(iii) the Closing shall not have occurred by 5:00 PM EST on April 27, 2018, which date may be extended by a mutual written agreement (such date as may be extended, the "Outside Date"); provided, however, the right to terminate this Agreement under this Section 8.1(d)(iii) shall not be available to either party whose failure to take any action required to fulfill any obligation under this Agreement (including the failure to act in good*

*faith or to use reasonable best efforts to cause the Closing to occur) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur before such date. "*

3. **Governing Law and Venue.** This Amendment shall be construed in accordance with the laws of the State of Florida.

4. **Severability.** If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

5. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

6. **Continuing Effect of Agreement and Plan of Merger.** Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.

**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.


COMPANY:

T3 COMMUNICATIONS, INC.,  
a Florida corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUYER:

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By:   
Name: Arthur L. Smith  
Title: CEO

SHAREHOLDERS REPRESENTATIVE:

\_\_\_\_\_  
STUART CONRAD

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

COMPANY:

T3 COMMUNICATIONS, INC.,  
a Florida corporation

By: [Signature]  
Name: Steven C. Jones  
Title: Chairman & EVP

BUYER:

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By: [Signature]  
Name: Arthur L. Smith  
Title: CEO

SHAREHOLDERS REPRESENTATIVE:

\_\_\_\_\_  
STUART CONRAD

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.

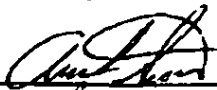
**COMPANY:**

T3 COMMUNICATIONS, INC.,  
a Florida corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BUYER:**

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By:   
Name: Arthur L. Smith  
Title: CEO

**SHAREHOLDERS REPRESENTATIVE:**

  
STUART CONRAD

**SEVENTH AMENDMENT TO  
AGREEMENT AND PLAN OF MERGER**

This **SEVENTH AMENDMENT TO AGREEMENT AND PLAN OF MERGER** (this "Amendment"), dated as of the 30th day of April, 2018 (the "Effective Date"), is made by and among Shift8 Technologies, Inc., a Nevada corporation ("Buyer"), T3 Acquisition, Inc., a Florida corporation and wholly owned subsidiary of Buyer ("Acquisition Company"), T3 Communications, Inc., a Florida corporation (the "Company") and Mr. Stuart Conrad, as the representative of the Shareholders of the Company (in such capacity, "Shareholders Representative").

**WITNESSETH:**

**WHEREAS**, Buyer, Acquisition Company, the Company and Shareholders Representative entered into that certain Agreement and Plan of Merger dated May 8, 2017, as amended by that certain First Amendment to Agreement and Plan of Merger dated August 10, 2017, as further amended by that certain Second Amendment to Agreement and Plan of Merger effective as of October 31, 2017, as further amended by that certain Third Amendment to Agreement and Plan of Merger made effective as of December 22, 2017, as further amended by that certain Fourth Amendment to Agreement and Plan of Merger made effective as of January 19, 2018, and as further amended by that certain Fifth Amendment to Agreement and Plan of Merger made effective as of February 28, 2018, and as further amended by that certain Sixth Amendment to Agreement and Plan of Merger made effective as of April 20, 2018 (the "Agreement and Plan of Merger");

**WHEREAS**, pursuant to Section 9.9 of the Agreement and Plan of Merger, any provisions of the Agreement and Plan of Merger may be amended only in writing and must be signed by both Buyer and Shareholder Representative; and

**WHEREAS**, the parties desire to further extend the effective time of the Closing;


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

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Agreement and Plan of Merger.

2. **Amendment**.

(a) The last sentence of Section 2.1 of the Agreement and Plan of Merger shall hereby be modified and amended to read in its entirety as follows:

*"The Closing shall be deemed to occur at, and the calculation of the Purchase Price shall be made as of, 11:59 p.m. Miami, Florida time on the Closing Date."*



3. **Governing Law and Venue.** This Amendment shall be construed in accordance with the laws of the State of Florida.

4. **Severability.** If any provision of this Amendment, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

5. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

6. **Continuing Effect of Agreement and Plan of Merger.** Except as modified by this Amendment, the Agreement and Plan of Merger will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Agreement and Plan of Merger and the terms hereof, the terms of this Amendment will control.

**[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

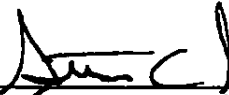


**IN WITNESS WHEREOF**, the undersigned have executed this Amendment to be effective as of the Effective Date.

**COMPANY:**

**T3 COMMUNICATIONS, INC..**

a Florida corporation

By:   
Name: Steven C. Jones  
Title: Chairman & EVP

**BUYER:**

**SHIFT8 TECHNOLOGIES, INC..**

a Nevada corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


**SHAREHOLDERS REPRESENTATIVE:**

  
STUART CONRAD

IN WITNESS WHEREOF, the undersigned have executed this Amendment to be effective as of the Effective Date.


COMPANY:

T3 COMMUNICATIONS, INC.,  
a Florida corporation

By:   
Name: Steven C. Jones  
Title: Chairman & EVP

BUYER:

SHIFT8 TECHNOLOGIES, INC.,  
a Nevada corporation

By:   
Name: Arthur L. Smith  
Title: CEO

SHAREHOLDERS REPRESENTATIVE:

STUART CONRAD