

10/18/2018

Division of Corporations

Florida Department of State
Division of Corporations
Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H18000302134 3)))



H180003021343ABCW

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850)617-6380

From:

Account Name : LEGAL & COMPLIANCE, LLC
Account Number : I20140000006
Phone : (561)514-0936
Fax Number : (561)514-0832

****Enter the email address for this business entity to be used for future annual report mailings. Enter only one email address please.****

Email Address: _____

RECEIVED

2018 OCT 18 PM 2:09

SECRETARY OF STATE
TALLAHASSEE, FL

MERGER OR SHARE EXCHANGE

Global Consortium, Inc.

Certificate of Status	0
Certified Copy	0
Page Count	64
Estimated Charge	\$70.00

OCT 19 2018

S. YOUNG

Electronic Filing Menu

Corporate Filing Menu

Help

(((H18000302134 3)))

ARTICLES OF MERGER

(Profit Corporations)

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:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document Number</u> (If known/ applicable)
Global Consortium, Inc.	FL	P99000084578

Second: The name and jurisdiction of each merging corporation:

<u>Name</u>	<u>Jurisdiction</u>	<u>Document Number</u> (If known/ applicable)
BDCI Merger Sub, Inc.	FL	P18000077034

FILED
18 OCT 18 PM 9:23
TALLAHASSEE, FLORIDA

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.

OR / / (Enter a specific date. NOTE: An effective date cannot be prior to the date of filing or more than 90 days after merger 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.

Fifth: Adoption of Merger by surviving corporation - (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the surviving corporation on October 8, 2018

The Plan of Merger was adopted by the board of directors of the surviving corporation on _____ and shareholder approval was not required.

Sixth: Adoption of Merger by merging corporation(s) (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the merging corporation(s) on October 17, 2018

The Plan of Merger was adopted by the board of directors of the merging corporation(s) on _____ and shareholder approval was not required.

(Attach additional sheets if necessary)

(((H18000302134 3)))

((H18000302134 3)))

PLAN OF MERGER

(Non Subsidiaries)

The following plan of merger is submitted in compliance with section 607.1101, Florida Statutes, and in accordance with the laws of any other applicable jurisdiction of incorporation.

First: The name and jurisdiction of the surviving corporation:

Name

Jurisdiction

Global Consortium, Inc.

FL

Second: The name and jurisdiction of each merging corporation:

Name

Jurisdiction

BDCI Merger Sub, Inc.

FL

Third: The terms and conditions of the merger are as follows:

Article I through Article IX of the attached Merger Agreement.

Fourth: The manner and basis of converting the shares of each corporation into shares, obligations, or other securities of the surviving corporation or any other corporation or, in whole or in part, into cash or other property and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, or other securities of the surviving or any other corporation or, in whole or in part, into cash or other property are as follows:

(Attach additional sheets if necessary)

((H18000302134 3)))

(((H18000302134 3)))

THE FOLLOWING MAY BE SET FORTH IF APPLICABLE:

Amendments to the articles of incorporation of the surviving corporation are indicated below or attached:

[None]

OR

Restated articles are attached:

Other provisions relating to the merger are as follows:

[None]

(((H18000302134 3)))

(((H18000302134 3)))

MERGER AGREEMENT

BY AND AMONG

BAHAMAS DEVELOPMENT CORPORATION

BDCI MERGER SUB, INC.,

AND

GLOBAL CONSORTIUM, INC.

DATED AS OF OCTOBER 17, 2018

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	1
Section 1.01 Definitions	1
Section 1.02 Interpretive Provisions	8
ARTICLE II MERGER AND CLOSING	9
Section 2.01 The Merger	9
Section 2.02 Closing	9
Section 2.03 Effects of the Merger	9
Section 2.04 Conversion of Company Common Stock	9
Section 2.05 Parent Common Stock	10
Section 2.06 Merger Sub Stock	10
Section 2.07 Merger Consideration	10
Section 2.08 Exchange Agent	11
Section 2.09 Exchange Procedures	11
Section 2.10 Appraisal Rights	12
Section 2.11 Distributions with Respect to Unexchanged Shares	12
Section 2.12 No Further Ownership Rights in the Company Common Stock	13
Section 2.13 No Liability	13
Section 2.14 Lost Certificates	13
Section 2.15 Withholding Rights	13
Section 2.16 Stock Transfer Books	14
Section 2.17 Closing Actions and Deliverables	14
Section 2.18 Tax-Free Reorganization	15
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY	15
Section 3.01 Organization, Authority and Qualification of the Company	15
Section 3.02 Capitalization	16
Section 3.03 No Subsidiaries	16
Section 3.04 Enforceability and Authority; No Conflicts; Consents	16
Section 3.05 Financial Statements	18
Section 3.06 Undisclosed Liabilities	18
Section 3.07 Absence of Certain Changes, Events and Conditions	18
Section 3.08 Material Contracts	20
Section 3.09 Title to Assets; Real Property	22
Section 3.10 Condition and Sufficiency of Assets	23
Section 3.11 Intellectual Property	23
Section 3.12 Accounts Receivable	25
Section 3.13 Insurance	25
Section 3.14 Legal Proceedings; Governmental Orders	25
Section 3.15 Compliance with Laws; Permits	26
Section 3.16 Employee Benefit Matters	26
Section 3.17 Employment Matters	28

Section 3.18	Taxes.....	29
Section 3.19	Books and Records.....	31
Section 3.20	Investment Purpose.....	32
Section 3.21	Brokers.....	32
Section 3.22	Full Disclosure.....	32
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARENT.....		32
Section 4.01	Organization and Authority of Parent and Merger Sub.....	32
Section 4.02	No Conflicts; Consents.....	33
Section 4.03	Parent and Merger Sub Capitalization.....	33
Section 4.04	Brokers.....	34
Section 4.05	Legal Proceedings.....	34
Section 4.06	Financial Statements and Liabilities.....	34
Section 4.07	No Insolvency; Litigation.....	34
Section 4.08	Compliance with Laws, Etc.....	35
ARTICLE V COVENANTS.....		35
Section 5.01	Company No-Shop.....	35
Section 5.02	Parent No-Shop.....	36
Section 5.03	Books and Records.....	38
Section 5.04	Company's Affirmative Covenants.....	38
Section 5.05	Company's Negative Covenants.....	39
Section 5.06	Public Announcements.....	40
Section 5.07	Tax Covenants.....	41
Section 5.08	Cooperation and Exchange of Information.....	41
Section 5.09	Officer, Manager and Director Indemnification.....	41
Section 5.10	Further Assurances.....	43
ARTICLE VI CONDITIONS TO CLOSING.....		43
Section 6.01	Conditions to Parent's and Merger Sub's Obligations to Close.....	43
Section 6.02	Conditions to Company's Obligations to Close.....	44
ARTICLE VII DEFAULT AND TERMINATION.....		44
Section 7.01	Default by Parent.....	44
Section 7.02	Default by the Company.....	45
Section 7.03	Termination.....	45
Section 7.04	Termination Costs.....	46
Section 7.05	Effect of Termination.....	47
ARTICLE VIII INDEMNIFICATION AND LIABILITY LIMITATIONS.....		47
Section 8.01	Survival.....	47
Section 8.02	Indemnification by the Company.....	47
Section 8.03	Indemnification by Parent.....	48
Section 8.04	Indemnification Procedures.....	48
Section 8.05	Payments.....	50
Section 8.06	Certain Limitations.....	50
Section 8.07	Tax Treatment of Indemnification Payments.....	50

Section 8.08	Effect of Investigation.....	50
Section 8.09	Exclusive Remedy.....	51
Section 8.10	Limitation on Damages.....	51
ARTICLE IX MISCELLANEOUS.....		51
Section 9.01	Expenses.....	51
Section 9.02	Notices.....	51
Section 9.03	Interpretation.....	52
Section 9.04	Headings.....	52
Section 9.05	Severability.....	52
Section 9.06	Entire Agreement.....	53
Section 9.07	Successors and Assigns.....	53
Section 9.08	No Third-party Beneficiaries.....	53
Section 9.09	Amendment and Modification; Waiver.....	53
Section 9.10	Dispute Resolution.....	53
Section 9.11	Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.....	54
Section 9.12	Specific Performance.....	55
Section 9.13	Counterparts.....	55

MERGER AGREEMENT

This Merger Agreement (this "Agreement"), dated as of October 17, 2018 (the "Effective Date"), is entered into by and among Bahamas Development Corporation ("Parent"), BDCI Merger Sub, Inc., a Florida corporation and a wholly owned subsidiary of Parent ("Merger Sub") and Global Consortium, Inc., a Florida corporation (the "Company"). Parent, Merger Sub and the Company may be collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the respective Boards of Directors of each of Parent, Merger Sub and the Company deem it advisable and in the best interests of each corporation and its respective shareholders, that Parent and the Company combine in order to advance the long-term business strategies of Parent and the Company;

WHEREAS, the Board of Directors of the Company has unanimously determined that the merger of Merger Sub with and into the Company with the Company being the surviving entity therein (the "Merger") and this Agreement are fair to, and in the best interests of, the Company and Shareholders (as defined below);

WHEREAS, the Board of Directors of Parent has unanimously determined that the Merger and this Agreement are fair to, and in the best interests of, Parent and the shareholders of Parent;

WHEREAS, the respective Boards of Directors of each of Parent, Merger Sub and the Company have approved this Agreement and the Merger on the terms and conditions contained in this Agreement;

WHEREAS, Parent, as the sole shareholder of Merger Sub, has approved this Agreement, the Merger and the transactions contemplated by this Agreement pursuant to action taken by unanimous written consent in accordance with the requirements of the Florida Business Corporation Act (the "FBCA") and the Articles of Incorporation and Bylaws of Merger Sub; and

WHEREAS, for federal income tax purposes, it is intended by the parties hereto that the Merger shall qualify as a "reorganization" within the meaning of the Code (as defined below);

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The following terms have the following meanings.

(a) "Acquisition Inquiry" with respect to any Person means an inquiry, indication of interest or request for nonpublic information (other than an inquiry, indication of interest or request for nonpublic information made or submitted by or on behalf of the Company) that could

reasonably be expected to lead to an Acquisition Proposal with respect to that Person.

(b) "Acquisition Proposal" with respect to any Person means any offer or proposal (other than an offer or proposal made or submitted by or on behalf of the Company) for any Acquisition Transaction or possible Acquisition Transaction with respect to that Person.

(c) "Acquisition Transaction" means any transaction or series of related transactions with a Person or "group" (as defined in the Exchange Act and the rules promulgated thereunder) concerning any (i) merger, consolidation, business combination, share exchange, joint venture or similar transaction involving the Company pursuant to which such Person or "group" would own 20% or more of the consolidated assets, revenues or net income of the Company, (ii) sale, lease, license or other disposition directly or indirectly by merger, consolidation, business combination, share exchange, joint venture or otherwise, of assets of the Company representing 20% or more of the consolidated assets, revenues or net income of the Company, (iii) issuance or sale or other disposition (including by way of merger, consolidation, business combination, share exchange, joint venture or similar transaction) of Equity Securities representing 20% or more of the issued and outstanding equity securities of the Company, (iv) transaction or series of transactions in which any Person or "group" would acquire beneficial ownership or the right to acquire beneficial ownership of Equity Securities representing 20% or more of the issued and outstanding equity securities of the Company, (v) action to make the provisions of any "fair price", "moratorium", "control share acquisition", "business combination" or other similar anti-takeover statute or regulation inapplicable to any transaction, or (vi) any combination of any of the foregoing.

(d) "Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(e) "Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(f) "Agreement" has the meaning set forth in the preamble.

(g) "Articles of Merger" has the meaning set forth in Section 2.02.

(h) "Balance Sheet Date" has the meaning set forth in Section 3.05.

(i) "Balance Sheet" has the meaning set forth in Section 3.05.

(j) "Benefit Plan" has the meaning set forth in Section 3.16(a).

(k) "Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in West Palm Beach, Florida are authorized or required by Law to be closed for business.

- (l) "Cap" has the meaning set forth in Section 8.06(c).
- (m) "Closing Date" has the meaning set forth in Section 2.02.
- (n) "Closing" has the meaning set forth in Section 2.02.
- (o) "Code" means the Internal Revenue Code of 1986, as amended.
- (p) "Company Board" means the Board of Directors of the Company.
- (q) "Company Capitalization Table" has the meaning set forth in Section 2.07(a)(ii).
- (r) "Company Common Stock" has the meaning set forth in Section 3.02.
- (s) "Company Default" has the meaning set forth in Section 7.02(a).
- (t) "Company Intellectual Property" has the meaning set forth in Section 3.11(a).
- (u) "Company Shareholder Approval" has the meaning set forth in Section 3.04(a).
- (v) "Company" has the meaning set forth in the recitals.
- (w) "Contemplated Transactions" means the transactions contemplated by this Agreement, together with the transactions contemplated by any of the other Transaction Documents.
- (x) "Contracts" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.
- (y) "D&O Indemnified Parties" has the meaning set forth in Section 5.09(a).
- (z) "Derivatives" means any options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the capital stock of the Company or obligating the Company to issue or sell any shares of capital stock of, or any other interest in, the Company.
- (aa) "Direct Claim" has the meaning set forth in Section 8.04(c).
- (bb) "Director and Officer Losses" has the meaning set forth in Section 5.09(b).
- (cc) "Disclosure Schedules" means the Disclosure Schedules delivered by the Company and the Parent to each other on or about the Effective Date.
- (dd) "Dispute" has the meaning set forth in Section 9.10(a).
- (ee) "Effective Date" has the meaning set forth in the recitals.
- (ff) "Effective Time" has the meaning set forth in Section 2.02.

(gg) "Encumbrance" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership in the amount of \$10,000 or more.

(hh) "Enforceability Exceptions" means (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (b) general principles of equity.

(ii) "Merger Consideration" has the meaning in Section 2.07(a).

(jj) "Equity Security" means, in respect of any Person, (a) any capital stock or similar security, (b) any security convertible into or exchangeable for any security described in clause (a), (c) any option, warrant, or other right to purchase or otherwise acquire any security described in clauses (a), (b), or (c), and, (d) any "equity security" within the meaning of the Exchange Act.

(kk) "ERISA Affiliate" means, with respect to any Person, any other Person that, together with such first Person, would be treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code.

(ll) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

(mm) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(nn) "Exchange Agent" has the meaning set forth in Section 2.08.

(oo) "Financial Statements" has the meaning set forth in Section 3.05.

(pp) "GAAP" means United States generally accepted accounting principles, consistently applied, as in effect from time to time.

(qq) "Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

(rr) "Governmental Authorization" means any (a) consent, license, registration, or permit issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law; or (b) right under any Contract with any Governmental Authority.

(ss) "Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

(tt) "Indebtedness" means without duplication (whether or not contingent and including, without limitation, any and all principal, accrued and unpaid interest, prepayment premiums or penalties, related expenses, commitment and other fees which would be payable in connection therewith), (a) all indebtedness for borrowed money or in respect of loans or advances, (b) all obligations for deferred purchase price of property or services, (c) all obligations evidenced by notes, bonds, debentures or other similar instruments (other than performance bonds and other obligations of a like nature incurred in the Ordinary Course of Business), (d) all obligations, contingent or otherwise, as an account party under acceptance, letter of credit, bankers' acceptances, performance bonds, sureties or similar obligations that have been drawn down, in each case, to the extent of such draw, (e) all obligations as lessee under any arrangement required to be recorded as a capital lease in accordance with GAAP, (f) all Liabilities arising out of interest rate and currency swap arrangements and any other arrangements designed to provide protection against fluctuations in interest or currency rates; (g) any Liabilities pursuant to any off balance sheet financing; (h) all guarantees with respect to any indebtedness or obligation of any other Person of a type described in clauses (a)-(g) above, (i) all indebtedness and obligations of any other Person of a type described in clauses (a)-(h) above resulting in any Lien or other claim against the Company Common Stock or the assets the Company.

(uu) "Indemnified Party" has the meaning set forth in Section 8.04.

(vv) "Indemnifying Party" has the meaning set forth in Section 8.04.

(ww) "Insurance Policies" has the meaning set forth in Section 3.13.

(xx) "Intellectual Property Registrations" has the meaning set forth in Section 3.11(b).

(yy) "Intellectual Property" has the meaning set forth in Section 3.11(a).

(zz) "Interim Balance Sheet Date" has the meaning set forth in Section 3.05.

(aaa) "Interim Balance Sheet" has the meaning set forth in Section 3.05.

(bbb) "Knowledge of the Company" means the actual knowledge, after due inquiry, of Matthew Dwyer.

(ccc) "Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

(ddd) "Lease" or "Leases" has the meaning set forth in Section 3.09(b).

(eee) "Liability" or "Liabilities" has the meaning set forth in Section 3.06.

(fff) "Licensed Intellectual Property" has the meaning set forth in Section 3.11(a).

(ggg) "Losses" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of

pursuing any insurance providers; provided, however, that "Losses" shall not include (i) punitive damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party or (ii) lost profits or consequential damages, in any case.

(hhh) "Material Adverse Effect" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Company, or (b) the ability of the Company to consummate the Contemplated Transactions on a timely basis; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition, or change, directly or indirectly, arising out of or attributable to: (i) any changes, conditions or effects in the United States economy or securities or financial markets in general; (ii) changes, conditions or effects that generally affect the industries in which the Company operates; (iii) any change, effect or circumstance resulting from an action required or permitted by this Agreement; or (iv) conditions caused by acts of terrorism or war (whether or not declared); provided further, however, that any event, occurrence, fact, condition, or change referred to in clauses (i), (ii) or (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on the Company compared to other participants in the industries in which the Company conducts its business.

(iii) "Material Contracts" has the meaning set forth in Section 3.08(a).

(iii) "Merger Consideration" has the meaning set forth in Section 2.07(a).

(kkk) "Merger Sub" has the meaning set forth in the preamble.

(III) "Multiemployer Plan" has the meaning set forth in Section 3.16(c).

(mmm) "Notice of Dispute" has the meaning set forth in Section 9.10(b).

(nnn) "Ordinary Course of Business" means an action which is taken in the ordinary course of the normal day-to-day operations of the Person taking such action consistent with the past practices of such Person, is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority) and is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

(ooo) "Organizational Documents" means (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the certificate of formation and limited liability company agreement, operating agreement, or like agreement of a limited liability company; (c) the partnership agreement and any statement of partnership of a general partnership; (d) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (e) any charter or agreement or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (f) any amendment to or restatement of any of the foregoing.

(ppp) "Parent Board" means the Board of Directors of Parent.

- (qqq) "Parent Common Stock" has the meaning set forth in Section 4.03.
- (rrr) "Parent Default" has the meaning set forth in Section 7.01.
- (sss) "Parent Indemnitees" has the meaning set forth in Section 8.02.
- (ttt) "Parent Preferred Stock" has the meaning set forth in Section 4.03.
- (uuu) "Parent" has the meaning set forth in the preamble.
- (vvv) "Parties" has the meaning set forth in the recitals.
- (www) "Party" has the meaning set forth in the recitals.
- (xxx) "Permits" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.
- (yyy) "Permitted Encumbrances" has the meaning set forth in Section 3.09(a).
- (zzz) "Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.
- (aaaa) "Post-Closing Tax Period" means any taxable period beginning after the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period beginning after the Closing Date.
- (bbbb) "Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.
- (cccc) "Pre-Closing Taxes" means Taxes of the Company for any Pre-Closing Tax Period.
- (dddd) "Real Property" means the real property owned, leased or subleased by the Company, together with all buildings, structures and facilities located thereon.
- (eeee) "Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.
- (ffff) "Requirements of Law" means, as to any Person, any law, treaty, rule, regulation, right, privilege, qualification, license or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject, or pertaining to any or all of the Contemplated Transactions or referred to herein.
- (gggg) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(hhhh) "Series A Stock" means the Series A Preferred Stock of Parent, having the rights and preferences as set forth in the Certificate of Designations of Series A Preferred Stock as filed with the Secretary of State of the State of Nevada.

(iiii) "Shareholder" means any holder of shares of capital stock of the Company other than Parent.

(iiii) "Shareholders' Indemnitees" has the meaning set forth in Section 8.03.

(kkkk) "Subsidiary" means, with respect to a specified Person, any corporation, partnership, limited liability company, limited liability partnership, joint venture, or other legal entity of which the specified Person (either alone and/or through and/or together with any other Subsidiary) owns, directly or indirectly, more than 50% of the voting stock or other equity or partnership interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body, of such legal entity or of which the specified Person controls the management.

(llll) "Surviving Corporation" has the meaning set forth in Section 2.01.

(mmmm) "Tax Return" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(nnnn) "Taxes" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

(oooo) "Third Party Claim" has the meaning set forth in Section 8.04(a).

(pppp) "Transaction Documents" means this Agreement and any other document, certificate or agreement to be delivered hereunder.

(qqqq) "Union" has the meaning set forth in Section 3.17(b).

Section 1.02 Interpretive Provisions. Unless the express context otherwise requires:

(a) the words "hereof," "herein," and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa;

(c) the terms "Dollars" and "\$" mean United States Dollars; and

(d) references herein to a specific Section, Subsection, Recital or Exhibit shall refer, respectively, to Sections, Subsections, Recitals or Exhibits of this Agreement.

ARTICLE II MERGER AND CLOSING

Section 2.01 The Merger. Upon the terms and subject to the conditions of this Agreement, and in accordance with the FBCA, at the Effective Time (as hereinafter defined), Merger Sub shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation following the Merger (the "Surviving Corporation"). The corporate existence of the Company, with all its purposes, rights, privileges, franchises, powers and objects, shall continue unaffected and unimpaired by the Merger.

Section 2.02 Closing. The consummation of the Contemplated Transactions (the "Closing") shall take place on the third Business Day following the satisfaction or waiver (by the Party for whose benefit the condition exists) of the conditions to closing as set forth in Article VI or on such other date and at such other time and place as the Parties shall agree in writing (the "Closing Date"), by electronic delivery, overnight delivery, and wire transfers. At the Closing the Parties shall cause the Merger to be consummated by filing of Articles of Merger (the "Articles of Merger") with the Secretary of State of Florida and by making all other filings or recordings required under the FBCA in connection with the Merger, in such form as is required by, and executed in accordance with the relevant provisions of, the FBCA. The Merger shall become effective at such time as the Articles of Merger are duly filed with the Secretary of State of Florida, or at such other time as the Parties agree shall be specified in the Articles of Merger (the date and time the Merger becomes effective, the "Effective Time"). At the Closing, the Company shall deliver to Parent and Parent shall deliver to the Company, for further distribution to the Shareholders if applicable, such documents and items as contemplated by Section 2.17(a), Section 2.17(b) and Section 2.17(c), respectively.

Section 2.03 Effects of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the FBCA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time:

(a) All the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Company and Merger Sub shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation;

(b) The Articles of Incorporation of the Company shall be the Articles of Incorporation of the Surviving Company, until duly amended or repealed in accordance with the provisions thereof and of applicable Law; and

(c) The Bylaws of the Company shall be the Bylaws of the Surviving Company, until duly amended or repealed in accordance with the provisions thereof and of applicable Law.

Section 2.04 Conversion of Company Common Stock. At the Effective Time, by

virtue of the Merger and without any action on the part of any holder thereof:

(a) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares canceled pursuant to Section 2.04(b), if any), shall be canceled and shall by virtue of the Merger and without any action on the part of the holder thereof be converted automatically into the right to receive the Merger Consideration as set forth in Section 2.07, as the same may be adjusted herein;

(b) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time that is owned by Parent or Merger Sub and each share of Company Common Stock that is owned by the Company as treasury stock shall be canceled and retired and cease to exist, and no payment or distribution shall be made with respect thereto; and

(c) All shares of the Company Common Stock converted pursuant to Section 2.04(a) shall no longer be outstanding and shall automatically be canceled and retired and cease to exist, and each holder of a certificate ("Certificate") representing any such shares of Company Common Stock shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration in accordance with the terms herein.

Section 2.05 Parent Common Stock. At the Effective Time, any outstanding shares of Parent Common Stock that are owned by Parent, Merger Sub or the Company or any other direct or indirect wholly owned Subsidiary thereof shall be cancelled and retired and shall cease to exist and no cash or other consideration shall be delivered or deliverable in exchange therefor.

Section 2.06 Merger Sub Stock. At the Effective Time, all outstanding shares of common stock, par value \$0.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become, collectively, one validly issued, fully paid and nonassessable share of common stock, no par value per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

Section 2.07 Merger Consideration.

(a) The aggregate consideration to be paid to the Shareholders in the Merger, subject to apportionment and adjustment as stated set forth herein, including Article VIII and, in particular, Section 8.07, shall be a number of shares of Parent Common Stock and Series A Stock that shall, collectively, equal 93.6% of the economic interests of Parent represented by Parent's capital stock and 93.6% of the voting power of Parent represented by Parent's capital stock immediately after the Closing (the "Merger Consideration"), which Merger Consideration may be represented by one or more certificates or may be uncertificated, at the election of the Parent; provided, however, that any payment hereunder to be made in the form of Merger Consideration shall be made only in shares of Series A Stock and whole shares of Parent Common Stock, and any fractional shares of Parent Common Stock otherwise payable shall be rounded up to the nearest whole share of shares of Parent Common Stock. The Merger Consideration shall be allocated as follows:

(i) The 19,000,000 shares of Company Common Stock held by Matthew Dwyer, the Chief Executive Officer of Parent and the Company, shall be converted automatically

into the right to receive the 1,000,000 shares of Series A Stock; and

(ii) The remaining 9,960,517 shares of Company Common Stock held by shareholders of the Company other than Matthew Dwyer shall be converted automatically into the right to receive a pro rata portion of 1,107,552,502 shares of Parent Common Stock based on the number of shares of Company Common Stock issued and outstanding as of the Effective Time (other than shares held by Matthew Dwyer or as otherwise cancelled as set forth herein), which pro rata and otherwise allocation the Parties acknowledge and agree shall be as set forth on the capitalization table of the Company dated the date hereof and delivered by the Company to Parent prior to the Effective Date (the "Company Capitalization Table"), in each case subject to adjustment as set forth herein.

(b) The Parties acknowledge and agree that the intent of this Agreement is that Matthew Dwyer receive the same economic and other consideration as the other shareholders of the Company in the Merger, but that Parent does not have a sufficient number of shares of Parent Common Stock authorized but unissued as required to pay the full Merger Consideration wholly in Parent Common Stock, and thus Matthew Dwyer has agreed to receive the Series A Stock so as to permit the other shareholders of the Company to receive the Parent Common Stock in the Merger. The Series A Stock is convertible into 2,112,691,294 shares of Parent Common Stock, and has such voting rights and economic rights as would be received by such number of shares of Parent Common Stock, which is the same proportion of voting and economic rights that Matthew Dwyer would have in Parent were his 19,000,000 shares of Company Common Stock converted in the Merger to shares of Parent Common Stock, but is not currently convertible into Parent Common Stock due to the facts set forth above. Following the Closing, Parent shall undertake an increase of the number of authorized shares of Parent Common Stock or a reverse split of the Parent Common Stock, or a combination thereof, so as to permit the full conversion of the Series A Stock to Parent Common Stock and, at such time, the Series A Stock shall, pursuant to the terms and conditions of the Certificate of Designations for the Series A Stock as filed with the Secretary of State of the State of Nevada, automatically be converted into 2,112,691,294 shares of Parent Common Stock (or such other number as equitably adjusted following any such changes to the authorized shares of Parent).

Section 2.08 Exchange Agent. Prior to the Effective Time, Parent and Company shall jointly select an entity to act as exchange agent hereunder for the purpose of exchanging Certificates for the Merger Consideration (the "Exchange Agent"). The Parties acknowledge and agree that Parent may, at its election, act as the Exchange Agent. At or prior to the Effective Time Parent shall deposit with the Exchange Agent (if Exchange Agent is a third party), in trust for the benefit of the Shareholders, certificates representing the Merger Consideration in exchange for outstanding shares of Company Common Stock in the Merger pursuant to Section 2.04.

Section 2.09 Exchange Procedures.

(a) Upon the Effective Time, each Shareholder shall deliver and surrender to Parent the Certificates representing such Shareholder's shares of Company Common Stock, and thereafter such Shareholder shall be entitled to receive the Merger Consideration, or the rights thereto with

respect to the Merger Consideration set forth in Section 2.07(b), in exchange therefor.

(b) In the event that all Shareholders have not delivered and surrendered their Certificates to Parent within three Business Days of the Effective Time, then, as soon as reasonably practicable thereafter, Parent and the Surviving Corporation shall cause the Exchange Agent to mail to each holder of a Certificate (i) a letter of transmittal which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent, and which letter shall be in such form and have such other provisions as the Company may reasonably specify and (ii) instructions for effecting the surrender of such Certificates in exchange for the applicable Merger Consideration.

(c) Upon surrender of a Certificate to Parent or the Exchange Agent, as set forth above, together, in the event that Section 2.09(b) is applicable, with such letter of transmittal, duly executed and completed in accordance with the instructions thereto and such other documents as may reasonably be required by the Exchange Agent, the holder of such Certificate shall be entitled to receive in exchange therefor (A) shares of Parent Common Stock or Series A Stock representing, in the aggregate, the whole number of shares that such holder has the right to receive pursuant to Section 2.04 and (B) a check in the amount equal to the cash that such holder has the right to receive pursuant to the provisions of Section 2.11 (after giving effect to any required tax withholdings from cash payments), and in each case the Certificate so surrendered shall forthwith be canceled. No interest will be paid or will accrue on any cash payable pursuant to Section 2.11.

Section 2.10 Appraisal Rights.

(a) Each Notwithstanding any provision of this Agreement to the contrary, shares of Company Common Stock that are outstanding immediately prior to the Effective Time and which are held by Shareholders who have exercised and perfected appraisal rights or dissenters' rights for such shares of Company Stock in accordance with the FBCA, if and to the extent applicable (collectively, the "Dissenting Shares") shall not be converted into or represent the right to receive the per share amount of the Merger Consideration described in Section 2.07 attributable to such Dissenting Shares. Such Shareholders shall be entitled to receive payment of the appraised value of such shares of Company Common Stock held by them in accordance with the FBCA (if and to the extent applicable), unless and until such Shareholders fail to perfect or effectively withdraw or otherwise lose their appraisal rights under the FBCA (if any). All Dissenting Shares held by Shareholders who shall have failed to perfect or who effectively shall have withdrawn or lost their right to appraisal of such shares of Company Common Stock under the FBCA (if applicable) shall thereupon be deemed to be converted into and to have become exchangeable for, as of the Effective Time, the right to receive the per share amount of the Merger Consideration attributable to such Dissenting Shares in the manner provided in Section 2.07.

(b) The Company shall give the Parent prompt written notice of any demands by dissenting shareholders received by the Company, withdrawals of such demands and any other instruments served on the Company and any material correspondence received by the Company in connection with such demands.

Section 2.11 Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made with respect to shares of Parent Common Stock or Series A

Stock with a record date after the Effective Time shall be paid to the holder of any un-surrendered Certificate with respect to the shares of Parent Common Stock or Series A Stock that such holder would be entitled to receive upon surrender of such Certificate until such holder shall surrender such Certificate in accordance with Section 2.09. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be paid to such holder of shares of Parent Common Stock or Series A Stock issuable in exchange therefor, without interest, (a) promptly after the time of such surrender, the amount of any dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock or Series A Stock and (b) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such shares of Parent Common Stock or Series A Stock.

Section 2.12 No Further Ownership Rights in the Company Common Stock. All shares of Parent Common Stock or Series A Stock issued and cash paid upon conversion of shares of Company Common Stock in accordance with the terms of this Article II (including any cash paid pursuant to Section 2.11) shall be deemed to have been issued or paid in full satisfaction of all rights pertaining to the shares of Company Common Stock and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Common Stock which were outstanding immediately prior to the Effective Time.

Section 2.13 No Liability. None of Parent, Merger Sub, the Company, the Surviving Corporation or the Exchange Agent shall be liable to any Person in respect of any Merger Consideration, any dividends or distributions with respect thereto, in each case delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Certificate shall not have been surrendered prior to three years after the Effective Time (or immediately prior to such earlier date on which any Merger Consideration, any dividends or distributions payable to the holder of such Certificate or any cash payable in lieu of fractional shares of Parent Common Stock or Series A Stock pursuant to this Article II, would otherwise escheat to or become the property of any Governmental Authority, any such Merger Consideration, dividends or distributions in respect thereof or such cash shall, to the extent permitted by applicable law, be delivered to Parent, upon demand, and any holders of Company Common Stock who have not theretofore complied with the provisions of this Article II shall thereafter look only to Parent for satisfaction of their claims for such Merger Consideration, dividends or distributions in respect thereof or such cash.

Section 2.14 Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will deliver in exchange for such lost, stolen or destroyed Certificate the applicable Merger Consideration with respect to the shares of Company Common Stock formerly represented thereby, and unpaid dividends and distributions on shares of Parent Common Stock or Series A Stock deliverable in respect thereof, pursuant to this Agreement.

Section 2.15 Withholding Rights. The Surviving Corporation shall be entitled to deduct

and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which such deduction and withholding was made by the Surviving Corporation.

Section 2.16 Stock Transfer Books. On the Closing Date, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of shares of Company Common Stock thereafter on the records of the Company. From and after the Effective Time, the holders of Certificates shall cease to have any rights with respect to such shares of Company Common Stock formerly represented thereby, except as otherwise provided herein or by law. On or after the Effective Time, any Certificates presented to the Exchange Agent or Parent for any reason shall be converted into the Merger Consideration with respect to the shares of Company Common Stock formerly represented thereby, and any dividends or other distributions to which the holders thereof are entitled pursuant to Section 2.11.

Section 2.17 Closing Actions and Deliverables. At the Closing, and contingent thereon, the Parties shall deliver, and shall undertake such actions as to accomplish, the following:

- (a) The Company shall deliver to Parent:
 - (i) The Articles of Merger, duly executed by an authorized officer of the Company;
 - (ii) a certificate, dated the Closing Date, signed by an officer of the Company, in form and substance reasonably acceptable to Parent, (i) certifying that each of the conditions set forth in Section 6.01(a), Section 6.01(b) and Section 6.01(c) has been satisfied; and (ii) attaching and certifying (1) copies of the resolutions or written consents of the Company Board and the Shareholders, in each case authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents, (2) a true, correct and complete copy of the Articles of Incorporation of the Company certified by the Secretary of State of the State of Florida, (3) By-laws of the Company, and (4) a certificate of good standing and legal existence of the Company issued by the Secretary of State of the State of Florida and each jurisdiction in which the Company is licensed or qualified to conduct business as a foreign entity as specified in Section 3.01 of the Disclosure Schedules;
 - (iii) written evidence of the termination of any and all shareholder, voting, buy-sell or similar agreements by and among the Company and/or the Shareholders, which shall be effective as of the Closing;
 - (iv) all approvals, consents and waivers that are listed on Section 3.04 of the Disclosure Schedules; and
 - (v) such other documents as Parent may reasonably request for the purpose of evidencing the accuracy of any of the Company's representations and warranties; evidencing the

performance by the Company, or the compliance by the Company, in each case as applicable, with any covenant or obligation required to be performed or complied with by the Company or otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

(b) Parent shall deliver to the Exchange Agent the Merger Consideration pursuant to Section 2.07(a);

(c) Parent shall deliver to the Company:

(i) The Articles of Merger, duly executed by an authorized officer of the Merger Sub and Parent; and

(ii) a certificate, dated the Closing Date, signed by a duly authorized officer of Parent, in form and substance reasonably acceptable to the Company, certifying (i) that each of the conditions set forth in Section 6.02(a) and Section 6.02(b) have been satisfied; and (ii) (A) attaching and certifying copies of the resolutions or written consents of the Parent Board, the Merger Sub Board and Parent as the sole shareholder of Merger Sub, in each case authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents, and (B) attaching and certifying (1) a true, correct and complete copy of the Articles of Incorporation of Parent certified by the Secretary of State of the State of Nevada, (2) By-laws of Parent, (3) a certificate of good standing and legal existence issued by the Secretary of State of the State of Nevada for Parent and (4) a certificate of good standing and legal existence issued by the Secretary of State of the State of Florida for Merger Sub.

Section 2.18 Tax-Free Reorganization. The Merger is intended to be a reorganization within the meaning of Section 368(a) of the Code, and this Agreement is intended to be a "plan of reorganization" within the meaning of the regulations promulgated under Section 368(a) of the Code and for the purpose of qualifying as a tax-free transaction, with respect to the Merger Consideration, for federal income tax purposes. Subject to the foregoing, the Parties and the Shareholders will agree to report the Merger as a tax-free reorganization under the provisions of Section 368(a). None of the Parties will take or cause to be taken any action which would prevent the transactions contemplated by this Agreement from qualifying as a reorganization under Section 368(a).

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, the Company represents and warrants to Parent that the statements contained in this Article III are true and correct.

Section 3.01 Organization, Authority and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Florida and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it has been and is currently conducted, except, in each case, where the failure to be so organized, existing and in good standing (or the equivalent thereof) would not, individually or in the aggregate, reasonably

be expected to have a Material Adverse Effect or reasonably be expected to prevent, materially impair or materially delay the Company's ability to consummate the Contemplated Transactions. Section 3.01 of the Disclosure Schedules sets forth each jurisdiction in which the Company is licensed or qualified to do business, and the Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary except, in each case, where the failure to be so licensed and in good standing (or the equivalent thereof) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or reasonably be expected to prevent, materially impair or materially delay the Company's ability to consummate the Contemplated Transactions. All corporate actions taken by the Company in connection with this Agreement and the other Transaction Documents will be duly authorized on or prior to the Closing. The Company has delivered to Parent copies of the Organizational Documents of the Company. The Company is not in default or in violation of any of its Organizational Documents. The Company has not conducted business under and has not otherwise used, for any purpose or in any jurisdiction, any legal, fictitious, assumed or trade name other than the names listed in Section 3.01 of the Disclosure Schedules.

Section 3.02 Capitalization.

(a) The authorized capital stock of the Company consists of 200,000,000 shares of common stock, par value \$0.001 per share (the "Company Common Stock"), of which 35,120,517 shares are issued and outstanding and 5,000,000 shares of blank check preferred stock, par value \$0.001 per share, of which no shares are issued and outstanding. All of the shares of Company Common Stock have been duly authorized, are validly issued, fully paid and non-assessable, and are owned of record and beneficially by the Shareholders, free and clear of all Encumbrances. The capitalization of the Company as set forth on the Company Capitalization Table is true, complete and correct in all respects.

(b) All of the shares of Company Common Stock were issued in compliance with applicable Laws. None of the shares of Company Common Stock were issued in violation of any agreement, arrangement or commitment to which Shareholder or the Company is a party or is subject to or in violation of any preemptive or similar rights of any Person, and no Person has any pre-emptive rights or similar rights to purchase or receive any Equity Securities in the Company.

(c) There are no outstanding or authorized Derivatives. The Company does not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the shares of Company Common Stock.

Section 3.03 No Subsidiaries. The Company does not own, or have any interest in any shares or have an ownership interest in any other Person.

Section 3.04 Enforceability and Authority; No Conflicts; Consents.

(a) This Agreement has been duly executed and delivered by the Company, except for the affirmative vote of the Shareholders holding a majority of the shares of Company Stock

approving the execution, delivery and performance of this Agreement (the "Company Shareholder Approval"), and constitutes the legal, valid, and binding obligation of the Company, enforceable against it in accordance with its terms except to the extent that the enforceability thereof may be limited by the Enforceability Exceptions. Upon the execution and delivery of the Transaction Documents by the Company and by each Shareholder party thereto, each Transaction Document will constitute the legal, valid, and binding obligation of the Company or such Shareholder, as applicable, enforceable against the Company or such Shareholder, as applicable, in accordance with its terms, except to the extent that the enforceability thereof may be limited by the Enforceability Exceptions. The Company and each Shareholder has the absolute and unrestricted right, power, authority, and capacity to execute and deliver, and to perform its respective obligations under, this Agreement and each Transaction Document to which it is a party.

(b) Except as set forth in Section 3.04(b) of the Disclosure Schedules, neither the execution and delivery of this Agreement or of any of the Transaction Documents nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or violate (A) any Organizational Document of the Company, or (B) any resolution adopted by the Company Board or the Shareholders (or Persons exercising similar authority) of the Company;

(ii) to the Knowledge of the Company, contravene, conflict with, or violate, or give any Governmental Authority or other Person the right to challenge any of the Contemplated Transactions, or to exercise any remedy or obtain any relief under, any Law or Governmental Order to which the Company or any Shareholder, or any assets owned or used by the Company, could be subject;

(iii) contravene, conflict with, violate, result in the loss of any benefit to which the Company is entitled under, or give any Governmental Authority the right to revoke, suspend, cancel, terminate, or modify, any Governmental Authorization held by the Company or that otherwise relates to the business of, or any assets owned or used by, the Company, except to the extent that the forgoing would not cause a Material Adverse Effect on the Company;

(iv) cause Parent or the Company to become subject to, or to become liable for payment of, any Tax, except to the extent that the forgoing would not cause a Material Adverse Effect on the Company;

(v) to the Knowledge of the Company, cause any assets owned or used by the or the Company to be reassessed or revalued by any Governmental Authority;

(vi) breach, or give any Person the right to declare a default or exercise any remedy or to obtain any additional rights under, or to accelerate the maturity or performance of, or payment under, or cancel, terminate, or modify, any Contract to which any Shareholder or the Company is a party, except to the extent that the forgoing would not cause a Material Adverse Effect on the Company;

(vii) result in the imposition or creation of any Encumbrance upon, or with

respect to, any assets owned or used by the Company; or

(viii) result in, or give any other Person the right or option to cause or declare: (A) a loss of any Intellectual Property, (B) the release, disclosure, or delivery of any Intellectual Property by or to any escrow agent or other Person, or (C) the grant, assignment, or transfer to any other Person of any license, Encumbrance, or other right or interest under, to, or in any Intellectual Property.

(c) Except for the Company Shareholder Approval or as set forth in Section 3.04(c) of the Disclosure Schedules, the Company is not required to give notice to, or obtain Consent from, any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions, or in order to be able to continue the business of the Company following the Closing in substantially the same manner as conducted prior to the Closing.

Section 3.05 Financial Statements. Complete copies of the Company's financial statements consisting of the balance sheet of the Company as at December 31 in each of the years 2016 and 2017 and the related statements of income and retained earnings, shareholders' equity and cash flow for the years then ended, and financial statements consisting of the balance sheet of the Company as at June 30, 2018 and the related statements of income and retained earnings, shareholders' equity and cash flow for the six-month period then ended (the "Financial Statements") are included in Section 3.05 of the Disclosure Schedules. The Financial Statements are based on the books and records of the Company, and fairly present the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated, in all material respects. The balance sheet of the Company as at December 31, 2017 is referred to herein as the "Balance Sheet" and the date thereof as the "Balance Sheet Date" and the balance sheet of the Company as at June 30, 2018 is referred to herein as the "Interim Balance Sheet" and the date thereof as the "Interim Balance Sheet Date."

Section 3.06 Undisclosed Liabilities. The Company has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, including without limitation any penalties, interest and/or excise tax as may be applicable (individually, a "Liability," and collectively, the "Liabilities"), except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (b) those which have been incurred in the Ordinary Course of Business since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

Section 3.07 Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, and other than in the Ordinary Course of Business, there has not been, with respect to the Company, any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) amendment of the articles of incorporation, bylaws or other Organizational Documents of the Company;

((H18000302134 3)))

- (c) split, combination or reclassification of any shares of its capital stock;
- (d) issuance, sale or other disposition of any of its capital stock, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its capital stock;
- (e) declaration or payment of any dividends or distributions on or in respect of any of its capital stock or redemption, purchase or acquisition of its capital stock;
- (f) material change in any method of accounting or accounting practice of the Company, except as disclosed in the notes to the Financial Statements;
- (g) material change in the Company's cash management practices and its policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits;
- (h) entry into any Contract that would constitute a Material Contract;
- (i) incurrence, assumption or guarantee of any material indebtedness for borrowed money except unsecured current obligations and Liabilities incurred in the Ordinary Course of Business;
- (j) transfer, assignment, sale or other disposition of any material amount of assets shown or reflected in the Balance Sheet or cancellation of any material debts or material entitlements;
- (k) transfer, assignment or grant of any license or sublicense of any rights under or with respect to any Intellectual Property;
- (l) material damage, material destruction or loss (whether or not covered by insurance) to its property, except for ordinary wear and tear;
- (m) any capital investment in, or any loan to, any other Person;
- (n) acceleration, termination, modification to or cancellation of any Material Contract to which the Company is a party or by which it is bound;
- (o) any capital expenditures in excess of \$5,000;
- (p) imposition of any Encumbrance upon any of the Company properties, capital stock or assets, tangible or intangible;
- (q) Except as set forth in Section 3.07(q) of the Disclosure Schedules (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its employees, officers, directors, independent contractors or consultants, other than as provided for in any written agreements or required by

applicable Law, (ii) change in the terms of employment for any employee or any termination of any employees, or (iii) action to accelerate the vesting or payment of any compensation or benefit for any employee, officer, director, independent contractor or consultant;

(r) Except as set forth in Section 3.07(r) of the Disclosure Schedules adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant, (ii) Benefit Plan or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(s) any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its shareholders, directors, officers and employees;

(t) entry into a material new line of business or abandonment or discontinuance of existing material lines of business;

(u) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(v) purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of \$10,000, individually (in the case of a lease, per annum) or \$50,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the Ordinary Course of Business;

(w) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock of, or by any other manner, any business or any Person or any division thereof; or

(x) action by the Company to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Parent in respect of any Post-Closing Tax Period.

Section 3.08 Material Contracts.

(a) Section 3.08(a) of the Disclosure Schedules lists each of the following Contracts of the Company (such Contracts, together with all Contracts concerning the occupancy, management or operation of any Real Property (including without limitation, brokerage contracts) listed or otherwise disclosed in Section 3.09(b) of the Disclosure Schedules and all Contracts relating to Intellectual Property set forth in Section 3.11(d) and Section 3.11(f) of the Disclosure Schedules, being "Material Contracts"):

(i) each Contract of the Company involving aggregate consideration in excess of \$2,500 and which, in each case, cannot be cancelled by the Company without penalty or without more than ninety (90) calendar days' notice, except Contracts of the Company entered into in the Ordinary Course of Business;

- (ii) all Contracts that require the Company to purchase its total requirements of any product or service from a third party or that contain "take or pay" provisions;
 - (iii) all Contracts that provide for the indemnification by the Company of any Person or the assumption of any Tax, environmental or other Liability of any Person;
 - (iv) all Contracts that relate to the acquisition or disposition of any business, the stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise);
 - (v) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising Contracts to which the Company is a party;
 - (vi) all employment agreements and Contracts with independent contractors or consultants (or similar arrangements) to which the Company is a party and which are not cancellable without penalty or without more than thirty (30) calendar days' notice;
 - (vii) except for Contracts relating to trade receivables, all Contracts relating to indebtedness (including, without limitation, guarantees) of the Company;
 - (viii) all Contracts with any Governmental Authority to which the Company is a party;
 - (ix) all Contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time;
 - (x) any Contracts to which the Company is a party that provide for any joint venture, partnership or similar arrangement by the Company;
 - (xi) all Contracts between or among the Company on the one hand and any Shareholder or any Affiliate of any Shareholder (other than the Company) on the other hand;
 - (xii) all collective bargaining agreements or Contracts with any Union to which the Company is a party; and
 - (xiii) any other Contract that is material to the Company and not previously disclosed pursuant to this Section 3.08.
- (b) Each Material Contract is valid and binding on the Company in accordance with its terms and is in full force and effect, except to the extent that the enforceability thereof may be limited by the Enforceability Exceptions. Neither the Company nor any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract. To the Knowledge of the Company, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of