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

FORM 8-K

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

Date of Report (Date of earliest event reported) **August 28, 2018**

XSPORT GLOBAL, INC.

(Exact name of registrant as specified in its charter)
(Formerly known as HeadTrainer, Inc.)

Wyoming

(State or other jurisdiction of incorporation or organization)

80-0873491

(I.R.S. Employer Identification No.)

1800 Camden Road, #107-196, Charlotte, NC

(Address of principal executive offices)

28203

(Zip Code)

Registrant's telephone number, including area code:

(980) 875-4199

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement

On August 28, 2018, XSport Global, Inc., a Wyoming corporation (the “Company”) entered into a stock purchase agreement (the “Agreement”) whereby the Company agreed to acquire all of the outstanding capital stock (the “Shares”) of Shift Now, Inc., a North Carolina corporation (“Shift Now”). The purchase price for the Shares was 700,000 shares of our common stock, par value \$0.001 per share (the “Common Stock”) and \$30,000 consisting of two promissory notes for \$15,000 each (the “Notes”). The first promissory note for \$15,000 is to be delivered at closing and due within 12 months of the closing. The second promissory note for \$15,000 is to be delivered to the Seller no later than the 12 month anniversary of the closing and due within 12 months after issuance. Additionally, the Company assumed the Shift Now’s existing line of credit made in favor of American National Bank in the current amount of \$100,000.

Also on August 28, 2018, the Company entered into an employment agreement (the “Employment Agreement”) with Kristi Griggs, the former principal shareholder of Shift Now (the “Employee”) to serve as Executive Vice President of the Company’s Shift Now Division. The Employment Agreement provides that upon consummation of the Merger, Employee shall be entitled to receive a salary of \$100,000 per year plus a bonus of 5% of net revenue of clients managed by Employee or 1.5% of total gross revenues of Shift Now to be paid on the last pay period of the month for the prior month’s activity. Additionally, the Company shall issue the Employee 150,000 shares of Common Stock at the 12-month anniversary of execution of the Employment Agreement. Employee shall receive an additional 150,000 shares of Common Stock upon the 24-month anniversary of the Employment Agreement. The Employee may receive severance of the greater of six months’ salary or \$50,000 upon termination of the Employment Agreement and shall be entitled to retain all equity ownership earned as of the date of termination.

The foregoing descriptions of the Agreement, the Notes and the Employment Agreement are qualified in their entirety by reference to such documents which are filed hereto as Exhibits 10.1, 10.2 and 10.3 respectively, and are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item.

Item 3.02 Unregistered Sales of Equity Securities

The disclosure in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item.

We claim an exemption from the registration requirements of the Securities Act, for the private placement of these securities pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder because, among other things, the transaction did not involve a public offering, Buyer is an accredited investor, Buyer acquired the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
<u>10.1</u>	Kristi Griggs Employment Agreement dated August 28, 2018
<u>10.2</u>	Form of Promissory Note
<u>10.3</u>	Stock Purchase Agreement dated August 28, 2018, by and between XSport Global, Inc. and Kristi Griggs

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

XSPORT GLOBAL, INC.

Date: September 5, 2018

By: /s/ Robert Finigan, Jr.

Robert Finigan Jr.
Chief Executive Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered to be effective as of July ____, 2018 by and between XSPORT GLOBAL INC. (the "Company"), and Kristi Griggs, ("Employee").

RECITALS

- A. The Company is engaged in the development and commercialization of mobile applications, specifically as they relate to the development of technologies targeting the youth and collegiate sports marketplace (the "Business").
- B. The Company desires to employ Employee, and Employee desires to be employed by the Company, on the terms and subject to the conditions of this Agreement.

AGREEMENTS

In consideration of the recitals and the mutual agreements herein contained, the parties hereto agree as follows:

1. Employment. The Company hereby employs Employee, and Employee hereby accepts employment with the Company, on the terms and subject to the conditions of this Agreement. Employment to start effective July ____, 2018 ("Employment start date")
 2. Title. Employee is hereby employed by Company as Executive Vice President, Shift Now LLC division for the Employment Period. Employee agrees that Employee will perform such duties as are customarily performed by a person holding such position in similar companies. Employee will, at all times, abide by all personnel policies of the Company, as in effect from time to time, and will faithfully, industriously, and to the best of Employee's ability, experience, and talents, perform all of the duties that may be required of and from Employee pursuant to the terms of this Employment Agreement.
 3. Employment Duties. Employee shall be employed as EVP of the Company to perform such duties as the Company's Chairman determines and shall be responsible for the performance of such duties and responsibilities as may be assigned from time to time by the Company (collectively, the "Employment Duties"). During Employee's employment hereunder, Employee shall: (i) devote commercially reasonable business time, to the discharge of the Employment Duties and Employee's other responsibilities hereunder on a timely basis; (ii) use her best efforts to loyally and diligently serve the business and affairs of the Company; and (iii) endeavor in all respects to promote the Company's interests in all matters.
 4. Term. Employee's employment hereunder shall commence on the date specified in Section (1) above and shall continue until such time as this Agreement is terminated pursuant to section 6 hereof (the period of Employee's employment hereunder is referred to hereinafter as the "Employment Period").
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5. Compensation.

- a. Annual Compensation. Initially, Employee shall receive a salary equal to minimum wage according to North Carolina employment regulations. However, at such time as the Company completes the merger agreement with Shift Now, LLC, Employee shall be entitled to receive, and the Company shall pay Employee, a salary of \$100,000 per year during remainder of the Employment Period, payable bi-weekly. In addition to the salary, employee will earn a bonus of 5% net revenue of clients managed by employee or 1.5% of total gross revenues of Shift Now to be paid on the last pay period of the month for the prior month's activity.
- b. Share Issuance. Upon execution of this Agreement, the Company shall issue stock to Employee in an amount of 150,000 shares of restricted common stock at the 12-month anniversary of execution of this Agreement. Additionally, Employee shall receive an additional amount of 150,000 shares of restricted common stock upon the completion of the 24-month of employment with the Company. Stock incentive will require the approval of the Board of Directors, and shall be issued within 30-days of the completion of each milestone.
- c. Reimbursement of Business Expenses. During the Employment Period, the Company shall, subject to Employee providing sufficient documentation to evidence such expenses and only to the extent consistent with the Company's business expense reimbursement policy in effect from time to time, reimburse Employee for reasonable expenses incurred in connection with the performance by Employee of the Employment Duties, which shall include travel and entertainment expenses, again, subject to prior approval by the Company.
- (i) Employee will have the right to purchase the 2017 Chevrolet Suburban owned by Shift Now at any time during the employment agreement for the purchase price of the balance of the current loan plus .01.
- (ii) Cell phones for Employee and Employee's immediate family members and home cable and video will be included in the monthly business expense reimbursement.
- d. Vacation, Sick Time and Holidays. Employee shall be entitled to 2 days of Paid Time Off (PTO) 20 PTO days each year, accrued monthly at the rate of 1.92 days. In addition, Employee shall be entitled to all sick time and holidays provided for under the Company's existing and future sick time policy and regular holiday schedule.
- e. Company Benefits. Employee shall be eligible for participation in any company benefits packages that are provided throughout the term of the employment and subject to the applicable enrollment and vesting policies for the benefits.

6. Termination.

- a. Termination for Cause. Upon the occurrence of any of the following events (as determined in the reasonable discretion of the Chairman), the Company may terminate this Agreement and Employee's employment hereunder immediately upon delivery of written notice to Employee, (i) the engagement by Employee in any conduct which constitutes gross negligence, willful misconduct or any other conduct which is demonstrably and materially injurious to the Company, whether monetary or otherwise; (ii) the commission of any felony, act of fraud or dishonesty involving the Company or its business or which materially impairs the Employee's ability to perform her duties for the Company.
- b. Termination Without Cause.: This agreement is an "At Will" Employment agreement"
- (i) Termination by the Company. Company may terminate this Agreement and Employee's employment hereunder at any time by giving written notice of such intent to the Employee of at least 30 days prior to the effective date of such termination.
- (ii) Termination by Employee. Employee may terminate this Agreement and Employee's employment hereunder at any time and for any reason by giving written notice of such intent to the Company at least 30 days prior to the effective date of such termination.
- c. Compensation Payable Up on Termination. Upon the termination of this Employment Agreement, with or without cause, the Employee shall be entitled to retain all equity ownership that she has earned as a participant of the Company's stock plan as of the date of termination. In addition, Employee shall receive the greater of (i) six (6) months' salary of the same amount received by Employee during the month immediately preceding such Termination of this Agreement, and (ii) fifty thousand dollars (\$50,000), by way of severance, which severance shall be due and payable upon the date of termination.

7. Confidential Information.

- a. Nondisclosure of Confidential Information. The parties hereto acknowledge and agree that as an employee of the Company, Employee will have access to and will be entrusted with Confidential Information, and that the Company would suffer great loss and injury if Employee disclosed any Confidential Information (except as provided in this Agreement) or used any Confidential Information to compete with the Company. Accordingly, except in pursuit of the business of the Company and except as provided in above section hereof, Employee shall not directly or indirectly, whether individually or as an employee, principal, agent, owner, trustee, beneficiary, distributor, partner, co-venturer, investor, consultant or in any other capacity, use or disclose, or cause to be used or disclosed, any Confidential Information received by the Company during the performance of Employee's duties pursuant to this Agreement.

- b. Nondisclosure of Trade Secrets. Notwithstanding anything contained in this Agreement to the contrary, Employee shall not, directly or indirectly, whether individually or as an employee, principal, agent, owner, trustee, beneficiary, distributor, partner, co-venturer, investor, consultant or in any other capacity, except in pursuit of the business of the Company, use or disclose, or cause to be used or disclosed, any Confidential Information of the Company which constitutes a trade secret as long as such information remains a Trade Secret.
- c. Reasonableness of Terms; Adequacy of Consideration. Employee acknowledges and agrees that the terms of this section are reasonable and necessary for the protection of the Company and the Business. Employee further acknowledges and agrees that the consideration provided for herein is sufficient to fully and adequately compensate Employee for agreeing to the terms and conditions of this Agreement.
- d. Definition of Confidential Information. The term “Confidential Information,” as used in this Agreement, means any and all of the following as it relates to the Company and/or the Business: (i) all historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, and personnel training techniques and materials, however documented; (ii) all product specifications, data, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned production or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures and architectures (and related processes, formulae, composition, improvements, devices, inventions, discoveries, concepts, ideas, designs, methods and information);(iii) any contract manufacturer, partnership structure with development and manufacturing companies, and (iv) all information (whether or not part of the foregoing), however documented, which constitutes a Trade Secret. Notwithstanding the foregoing, the term “Confidential Information” shall not include information concerning the Company and/or the Business that becomes generally available to the public other than as a result of disclosure by Employee.
- e. Permitted Disclosure. The restrictions set forth in above sections hereof shall not apply to any disclosure of Confidential Information or a Trade Secret, as the case may be, required to be made under applicable law or regulation or by order of a court or governmental authority acting within its jurisdiction; provided, however, that prior to such disclosure, Employee shall have provided the Company with written notice of such disclosure requirement and the Company shall have had a reasonable opportunity to contest such requirement.

8. Reasonableness of Restrictions; Adequacy of Consideration. Employee acknowledges and agrees that the restrictions contained in this Agreement are reasonable and that the consideration provided herein is sufficient to fully and adequately compensate Employee for agreeing to such restrictions.

9. Confidential Information and Intellectual Property belongs to the Company. All Confidential Information shall remain the sole and exclusive property of the Company, and Employee shall have no rights, by license or otherwise, to use the Confidential Information except as expressly provided herein. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise conveyed by this Agreement with respect to the Confidential Information. The right title and interest in any product developed by the company during the Employment period and wherein Employee is actively engaged or otherwise is involved in the development of any product in the course of his duties, shall belong solely to the Company and Employee shall have no rights whatsoever in the products and its economic benefits other than the benefit received by way of profit share as contained in this agreement.

10. Common Law of Torts and Trade Secrets. Nothing in this Agreement shall be construed to limit or negate the common law of torts or trade secrets where such law provides the Company with broader protection than that provided herein.

11. Return of Confidential Information. Employee agrees that immediately upon termination of Employee's employment, or upon request by Company, Employee will return to Company all company property, including but not limited to the Confidential Information.

12. Specific Performance. Employee acknowledges and agrees that irreparable injury to the Company may result if Employee breaches any covenant of Employee contained herein and that the remedy at law for the breach of any such covenant will be inadequate. Accordingly, if Employee engages in any act in violation of the provisions of this Agreement, the Company shall be entitled, in addition to such other remedies and damages as may be available to it by law or under this Agreement, to injunctive relief to enforce the provisions of this Agreement.

13. Indemnification. To the maximum extent and when permitted by applicable law, the Articles of Incorporation, Bylaws/and or resolutions of the Company in effect from time to time (except as limited below), the Company shall indemnify and defend Employee against liability or loss arising out of Employee 's actual or asserted misfeasance in the performance of Employee's duties or out of any actual or asserted Wrongful act against, or by, the Company including but not limited to judgments, fines, settlements and expenses incurred in the defense of actions, proceedings and appeals therefrom . The Company shall maintain Directors and Officers Liability Insurance to indemnify and insure the Company and Employee from and against the aforesaid liabilities. The provisions of this Section shall apply and inure to the benefit of the estate, executor, administrator, heirs, legatees or devisees of Employee.

14. Non-Competition and Non-Solicitation. As a material part of the consideration given for this Agreement, during the Employment Period and for a period of twelve (12) months following the termination of Employee's employment (for any reason or no reason), Employee agrees that she will not, directly or indirectly, engage herself in any activity that ensures economic benefit to her by dealing in any manner whatsoever in products that the Company is either currently selling, licensing, developing or has committed financial resources to develop. The Employee also agrees during the Employment Period, that she will not, directly or indirectly, solicit any of other employees of the Company, or its partners, suppliers or subsidiaries, for a period of twelve (12) months following. This section shall not limit Employee from accepting employment from a competitor of the Company, or any other third party entity, upon the termination of employment with the Company, so long as Employee does not disclose any of the Company's confidential information to the new employer.

15. Employment Status. The parties hereto acknowledge and agree that Employee is an employee at will and that Employee's employment hereunder may be terminated with or without cause and, subject to any applicable notice periods hereunder, at any time. Employee will be considered as full time exempt employee.

16. Governing Law; Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina (regardless of such State's conflict of laws principles), and without reference to any rules of construction regarding the party responsible for drafting thereof.

17. Waiver. The failure of any party to insist, in any one or more instances, upon performance of any of the terms or conditions of this Agreement, shall not be construed as a waiver or a relinquishment of any right granted hereunder for the future performance of any such term, covenant or condition.

18. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the parties hereto agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specific words or phrase or to replace any invalid or unenforceable term or provision with a term or provision that is valid or enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed. The parties specifically acknowledge and agree that each covenant and agreement contained in sections 7 through 16 hereof is a separate and independent covenant and agreement.

19. Amendment. This Agreement may be amended only by an agreement in writing signed by each of the parties hereto.

20. Benefit; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, assigns and beneficiaries in interest; provided, however, that Employee may not assign this Agreement without the prior written consent of the Company. This Agreement may be assigned by the Company without notice to, or consent by Employee.

21. Entire Agreement, Incorporation of Terms. This Agreement represents the full and complete understanding of the parties with respect to the subject matter hereof. The introductory language, the recitals and any exhibits or schedules attached hereto are incorporated into this Agreement by reference.

22. Headings. All section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Agreement.

23. Counterparts. This Agreement may be executed in counterparts and transmitted by facsimile, each of which shall be deemed an original, but both of which taken together shall constitute one and the same instrument.

This Employment Agreement is dated as of the date first above written.

EMPLOYEE:

XSPORT GLOBAL INC.:

Kristi Griggs
EVP

By: _____
Robert Finigan
CEO

NEITHER THE ISSUANCE OR SALE OF THE SECURITIES REPRESENTED BY THIS NOTE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: \$30,000

Date: August 10th, 2018

Convertible Promissory Note

XSport Global, Inc., (hereinafter called the "Borrower"), hereby promises to pay to the order of **Kristi Greeson Griggs**, or its registered assigns (the "Holder") the sum of \$30,000, together with any interest as set forth herein, on August 10th, 2018 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof at the rate of Five percent (5%) (the "Interest Rate") per annum from the date hereof (the "Issue Date") until the same becomes due and payable

1. Definitions.

Capitalized terms not defined herein shall have the same meaning as set forth in the Investment Agreement. The following terms shall have the meanings herein specified:

"Event of Default" means an event specified in Section 3 hereof.

"Holder" means the Payee, and each endorsee, pledgee, assignee, owner and holder of this Note, as such; and any consent, waiver or agreement in writing by the then Holder with respect to any matter or thing in connection with this Note, whether altering any provision hereof or otherwise, shall bind all subsequent Holders. Notwithstanding the foregoing, the Company may treat the registered holder of this Note as the Holder for all purposes.

"Principal Amount" shall have the meaning set forth in the initial paragraph.

"Person" means an individual, trust, partnership, firm, association, corporation or other organization or a government or governmental authority.

Words of one gender include the other gender; the singular includes the plural; and the plural includes the singular, unless the context otherwise requires.

2. Payment of this Note – Term, Principal and Interest.

- (a) **Payment.** The term of this note shall be twelve (24) months. Half of the principal and accrued interest shall be due on August 19th, 2019, the balance on August 19th 2020 and, at any time thereafter, the Holder may proceed to collect such principal and accrued interest or convert any such remaining debt to stock pursuant to paragraph (b) of this Section.
- (b) **Conversion Privilege.** On the date that is twelve months from the date of this Note, or on any date thereafter, the Holder may, in lieu of payment of the indebtedness evidenced hereby, convert the entire outstanding and unpaid principal and interest of this Note, at the election of the Holder (the date of giving of such notice of conversion being a "**Conversion Date**") into fully paid and non-assessable shares of Common Stock of the Borrower (such shares, the "**Conversion Shares**"), at the conversion price equal to the price per share of the common stock sold in the first financing round subsequent to the date of this Note (the "Conversion Price"). Upon delivery to the Company of a completed Notice of Conversion, a form of which is attached hereto as Exhibit A, Borrower shall issue and deliver to the Holder that number of Conversion Shares for the portion of the Note converted in accordance with the foregoing.
- (c) **Prepayment.** The Company may prepay this Note at any time without penalty and without the prior written consent of the Holder. Any such prepayment will be applied first to the interest accrued on this Note and second to the payment of principal of this Note.
- (d) **Restricted Shares.** The Company's capital stock issued under this Note shall be "restricted" and cannot be resold in a public market without removal of the restrictive legend on the stock certificate. Upon conversion, the Company will place on each certificate the following legend: THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ANY TRANSFER OF SUCH SECURITIES WILL BE INVALID UNLESS A REGISTRATION STATEMENT UNDER THE ACT OR AS REQUIRED BY BLUE SKY LAWS IS IN EFFECT AS TO SUCH TRANSFER OR IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT OR BLUE SKY LAWS.

3. Events of Default.

The existence of any of the following conditions shall constitute an Event of Default:

- (a) Nonpayment of the Note in accordance with Section 2(a) above, if such breach remains unpaid and uncured for a period of ten (10) business days. Upon nonpayment of the Note for a period of 10 business days from August 9th, 2020, Borrower shall pay to Holder a late fee in an amount of One Half Percent (.05%) of the balance of the Note.

4. Loss or Mutilation of Note. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, together with an indemnity reasonably satisfactory to the Company, in the case of loss, theft, or destruction, or the surrender and cancellation of this Note, in the case of mutilation, the Company shall execute and deliver to the Holder a new Note of like tenor and denomination as this Note.

5. Holder not Shareholder. This Note does not confer upon the Holder any right to vote or to consent or to receive notice as a shareholder of the Company, as such, in respect of any matters whatsoever, or any other rights or liabilities as a shareholder, including dividends, prior to the conversion hereof.

6. Headings. The titles and headings to the Sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Note. This Note shall be construed without regard to any presumption or other rule requiring construction hereof against the party causing this Note to be drafted.

7. Applicable Law and Jurisdiction. The legality, validity, enforceability and interpretation of this Note and the relationship of the parties hereunder shall be governed by the laws of the State of North Carolina, without giving effect to the principles of conflict of laws, except with respect to matters of law concerning the internal corporate affairs of any corporate entity which is a party to or the subject of this Agreement, and as to those matters the law of the jurisdiction under which the respective entity derives its powers shall govern. Any claim, cause of action, suit or demand allegedly arising out of or related to this Note, or the relationship of the parties, shall be brought exclusively in the state or federal courts located in North Carolina, and the parties irrevocably consent to the exclusive jurisdiction and venue of such courts and waive any objections they may have at any time to such exclusive jurisdiction and venue.

8. Survival of Representations and Warranties. This Note shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto.

9. Assignment. This Note may not be assigned by either party hereto without the prior written consent of the other (except that the Company may without the prior written consent of the Holder assign this Note in the event of a merger, acquisition, reorganization or the sale of all or substantially all of its assets to another corporation to the surviving entity of such merger, acquisition, reorganization or sale).

10. Subordination. The indebtedness evidenced by this Note is hereby expressly subordinated in right of payment to any present and future indebtedness of the Company to banks and other financial institutions.

IN WITNESS WHEREOF, the Maker has caused this Promissory Note to be signed in its name by the signature of its duly authorized representative.

XSport Global, Inc

By: Robert Finigan
Its: Chief Executive
Officer

THIS NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

MAKER:

XSport Global, INC.

By: _____

Name: Robert Finigan

Title: Chief Executive Officer

HOLDER:

By: _____

Name: _____

Title: _____

Exhibit A

NOTICE OF CONVERSION

The undersigned hereby irrevocably elects to convert \$ _____ of the principal amount of the above Note into Shares of Common Stock of XSport Global, Inc. according to the conditions stated therein, as of the Conversion Date written below.

Conversion Date: _____

Applicable Conversion Price: \$ _____ per share

Amount to be converted: \$ _____

Amount of Note unconverted: \$ _____

Number of shares to be issued: _____

Please issue the shares to: _____

Address to: _____

Authorized Signature: _____

Name: _____

Title: _____

STOCK PURCHASE AGREEMENT

BETWEEN

XSPORT GLOBAL, INC., a Wyoming corporation

AND

KRISTI GRIGGS

August 28, 2018

Table of Contents

- §1. Definitions; Basic Transaction
 - (a) Definitions
 - (b) Basic Transaction
 - (c) Closing
 - (d) Deliverables at Closing
- §2. Purchase Price
 - (a) Purchase Price
- §3. Representations and Warranties Concerning Transaction
 - (a) Seller's Representations and Warranties
 - (b) Buyer's Representations and Warranties
- §4. Representations and Warranties Concerning Target
 - (a) Organization, Qualification, and Corporate Power
 - (b) Capitalization
 - (c) Non-contravention
 - (d) Brokers' Fees
 - (e) Title to Assets
 - (f) Subsidiaries
 - (g) Financial Statements
 - (h) Events Subsequent to Most Recent Fiscal Year End
 - (i) Undisclosed Liabilities
 - (j) Legal Compliance
 - (k) Tax Matters
 - (l) Real Property
 - (m) Intellectual Property
 - (n) Tangible Assets
 - (o) Inventory
 - (p) Contracts
 - (q) Notes and Accounts Receivable
 - (r) Powers of Attorney
 - (s) Insurance
 - (t) Litigation
 - (u) Product Liability
 - (v) Key Employees
 - (w) Employees
 - (x) Employee Benefits
 - (y) Guaranties
 - (z) Environmental, Health, and Safety Matters
 - (aa) Business Continuity
 - (bb) Certain Business Relationships with Target
 - (cc) Intentionally Omitted
 - (dd) Customers and Suppliers
 - (ee) Data Privacy
 - (ff) Preferential Status

- §4A. Representations and Warranties Concerning Buyer's Shares
 - (a) Seller's Representations and Warranties Concerning Buyer's Shares
 - (b) Buyer's Representations and Warranties Concerning Buyer's Shares
- §5. Intentionally Omitted
- §6. Post-Closing Covenants
 - (a) General
 - (b) Litigation Support
 - (c) Transition
 - (d) Confidentiality
 - (e) Covenant Not to Compete
 - (f) Filing of Reports
 - (g) Seller's Piggyback Registration Rights
 - (h) Personal Guaranties
- §7. Closing Deliveries
 - (a) Closing Deliveries of Seller
 - (b) Closing Deliveries of Buyer
- §8. Remedies for Breaches of This Agreement
 - (a) Survival of Representations and Warranties
 - (b) Indemnification Provisions for Buyer's Benefit
 - (c) Indemnification Provisions for Seller's Benefit
 - (d) Matters Involving Third Parties
 - (e) Determination of Adverse Consequences
 - (f) Exclusive Remedy
- §9. Tax Matters
 - (a) Tax Indemnification
 - (b) Responsibility for Filing Tax Returns
 - (c) Intentionally left blank
 - (d) Refunds and Tax Benefits
 - (e) Cooperation on Tax Matters
 - (f) Certain Taxes and Fees
- §10. 338(h)(10) Election
- §11. Miscellaneous
 - (a) Intentionally Omitted
 - (b) Press Releases and Public Announcements
 - (c) No Third-Party Beneficiaries
 - (d) Entire Agreement
 - (e) Succession and Assignment
 - (f) Counterparts
 - (g) Headings
 - (h) Notices
 - (i) Governing Law, Jurisdiction, Venue and Service of Process
 - (j) Amendments and Waivers
 - (k) Severability
 - (l) Expenses

- (m) Construction
- (n) Incorporation of Annexes, Exhibits, Appendices, and Schedules
- (o) Governing Language

Annexes

Annex I – Certain Disclosures by Seller
Annex II – Certain Disclosures by Buyer

Exhibits

Exhibit A – Definitions
Exhibit B – Financial Statements
Exhibit C – Seller’s Release
Exhibit D – Seller’s Non- Competition Agreement
Exhibit E – Seller’s Employment Agreement

Disclosure Schedules

Disclosure Schedule 3(a) – Seller’s Reps/Warranties
3(b) – Buyer’s Reps/Warranties
4(a) – Organization, Qualification, Corporate Power; Directors and Officers of Target
4(b) – Capitalization
4(c) – Non-Contravention
4(e) – Title to Assets
4(h) – Events Subsequent to Most Recent 2017 Fiscal Year End
4(i) – Undisclosed Liability
4(j) – Legal Compliance
4(k)(ii) – Tax Liability
4(k)(iii) – Tax Returns
4(l)(ii) – Leases and Leased Real Property
4(m)(ii) – Patents, Registration, Trademark, Intellectual Property
4(m)(iii) – Third Party Intellectual Property
4(n) – Tangible Assets
4(p) – Contracts
4 (s) – Insurance Policy
4(t) – Litigation
4(v) – Key Employees
4(w) – Employees
4(x) – Employee Benefit Plans
4(x)(vi) – Non Qualified Employee Benefits
4(bb) – Seller’s Business Relationships with Target
4(dd) – Largest Customers and Suppliers
4(ee) – Data Privacy and Security Policy
5(b) – 3rd Party Notices and Consents

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this “*Agreement*”) is entered into as of July __, 2018, by and among XSPORT GLOBAL, INC., a Wyoming corporation, or its designee (“*Buyer*”), and Kristi Griggs (“*Seller*”). Buyer and Seller may be referred to collectively herein as the “*Parties*” or, individually, as a “*Party*.”

Seller owns all the outstanding capital stock of SHIFT NOW, INC., a North Carolina corporation (“*Target*”).

This Agreement contemplates a transaction in which Buyer will purchase from Seller, and Seller will sell to Buyer, all the outstanding capital stock of Target (“*Target Shares*”) in return for stock and certain other consideration as set forth below.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

§1. Definitions; Basic Transaction.

(a) *Definitions.* For purposes of this Agreement, the terms and variations thereof set forth in **Exhibit A** to this Agreement shall have the meanings given to them in **Exhibit A**.

(b) *Basic Transaction.* In accordance with the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of Seller’s Target Shares for the consideration specified below in §2.

(c) *Closing.* The closing of the transactions contemplated by this Agreement (the “*Closing*”) shall take place via the electronic exchange of documents simultaneously with the execution hereof.

(d) *Deliverables at Closing.* At the Closing, (i) Seller will deliver to Buyer the various certificates, instruments, and documents referred to in §7 below, (ii) Buyer will deliver to Seller the various certificates, instruments, and documents referred to in §7 below, (iii) Seller will deliver to Buyer stock certificates representing all of the Target Shares accompanied by duly executed assignment documents for assignment to Buyer or Buyer’s designee, and (iv) Buyer will deliver to Seller the consideration specified in §2 below.

§2. Purchase Price.

(a) *Purchase Price.* The aggregate “*Purchase Price*” for the Target Shares shall be 700,000 shares of the Buyer Common Stock and \$30,000 in the form and subject to the adjustments and provisions set forth in this §2 and is payable as follows:

(i) “*Initial Stock*” *Payment to Seller.* At Closing, Buyer shall cause the transfer Agent to issue 450,000 shares of the Buyer Common Stock (the “*Buyer’s Shares*”) which shall be delivered to the Seller within ten (10) business Days.

(ii) *Initial Incentive Shares.* Up to an additional 125,000 shares of the Buyer Common Stock will be issued if the gross revenues of the Target increase by Five Hundred Thousand Dollars (\$500,000), consistent with current operating margins or greater, during the 12 months following the closing (the “*First Incentive Condition*”).

(iii) *Additional Incentive Shares.* Up to an additional 125,000 shares of the Buyer Common Stock will be issued if the gross revenues of the Target increase by Five Hundred Thousand Dollars (\$500,000), consistent with current operating margins or greater, during the 12 month period following the 12 month anniversary of the Closing and ending on the 24th anniversary of the Closing (the “**Additional Incentive Condition**”). However, notwithstanding anything to the contrary contained herein, the Additional Incentive Shares can only be earned, if the First Incentive Condition has been satisfied.

(iv) *Promissory Notes.* A Promissory Note to the Seller in the principal amount of Fifteen Thousand Dollars (\$15,000) to be delivered to the Seller at Closing due within 12 months of the Closing Date (“Promissory Note #1”). A second Promissory Note (“Promissory Note #2, together with Promissory Note #1, collectively, the “Promissory Notes”) to the Seller in the principal amount of Fifteen Thousand Dollars (\$15,000) to be made no later than the 12 month anniversary of the Closing and due within 12 months after issuance.

(v) *Line of Credit Assumption.* The Buyer shall assume the Target’s existing line of credit made in favor of American National Bank in the current amount of \$30,000 (the “**ANB Line of Credit**”).

§3. Representations and Warranties Concerning Transaction.

(a) *Seller’s Representations and Warranties.* Seller represents and warrants to Buyer that the statements contained in this §3(a) are correct and complete as of the date of this Agreement with respect to Seller, except as set forth in Annex I attached hereto.

(i) *Seller.* Seller is an individual residing in the State of North Carolina.

(ii) *Enforceable Obligation.* This Agreement constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms and conditions. Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

(iii) *Non-contravention.* Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will: (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Seller is subject; (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Seller is a party or by which he, she, or it is bound or to which any of his, her, or its assets are subject other than the ANB Line of Credit; or (C) result in the imposition or creation of a Lien upon or with respect to Target Shares.

(iv) *Brokers' Fees.* Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(v) *Target Shares.* Seller holds of record and owns beneficially one hundred percent (100%) of the outstanding Target Shares (i.e., shares of capital stock of Target), free and clear of any restrictions on transfer (other than any restrictions under the Securities Act and state securities laws), taxes, Liens, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands. Seller is not a party to any option, warrant, purchase right, or other contract or commitment (other than this Agreement) that could require Seller or Target to sell, transfer, or otherwise dispose of any capital stock of Target. Seller is not party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any capital stock of Target.

(vi) *Representations and Warrants of Seller.* Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges and agrees that Seller is not making any representations or warranties whatsoever, expressed or implied, beyond those expressly given by Seller in this Agreement (as modified by the Disclosure Schedules).

(b) *Buyer's Representations and Warranties.* Buyer represents and warrants to Seller that the statements contained in this §3(b) are correct and complete as of the date of this Agreement, except as set forth in Annex II attached hereto.

(i) *Organization of Buyer.* Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Wyoming.

(ii) *Authorization of Transaction.* Buyer has full power and authority (including full corporate or other entity power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Buyer, enforceable in accordance with its terms and conditions. Buyer need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by Buyer.

(iii) *Non-contravention.* Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will: (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Buyer is subject or any provision of its charter, bylaws, or other governing documents; or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Buyer is a party or by which it is bound or to which any of its assets are subject.

(iv) *Brokers' Fees.* Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(v) *Investment.* Buyer is not acquiring the Target Shares with a view to, or for sale in connection with, any distribution thereof within the meaning of the Securities Act.

(vi) *Representations and Warrants of Buyer.* Notwithstanding anything contained in this Agreement to the contrary, Seller acknowledges and agrees that Buyer is not making any representations or warranties whatsoever, expressed or implied, beyond those expressly given by Buyer in this Agreement (as modified by the Disclosure Schedules).

§4. Representations and Warranties Concerning Target. Seller represents and warrants to Buyer that, to the Knowledge of Seller, the statements contained in this §4 are correct and complete in all material respects as of the date of this Agreement, except as set forth in the §4 Disclosure Schedules delivered by Seller to Buyer and initialed by the Parties ("*Disclosure Schedule*" or "*Disclosure Schedules*"). The Disclosure Schedules will be lettered and numbered so as to correspond to the lettered and numbered paragraphs and subsections contained in this Agreement.

(a) *Organization, Qualification, and Corporate Power.* Target is a corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina. Target is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, which jurisdictions are set forth in Disclosure Schedule 4(a). Target has full corporate power and authority to carry on the business in which it is engaged and to own and use the properties owned and used by it. Disclosure Schedule 4(a) also lists the directors and officers of Target.

(b) *Capitalization.* The entire authorized capital stock of Target consists of one hundred (100) Target Shares, of which one hundred (100) Target Shares are issued and outstanding and none of which Target Shares are held in treasury. All of the issued and outstanding Target Shares have been duly authorized, are validly issued, fully paid, and non-assessable, and are held of record by the Seller. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require Target to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to Target or the Target Shares. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the Target Shares.

(c) *Non-contravention.* Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will: (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Target is subject or any provision of the charter, bylaws or resolutions of Target; or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any material agreement, contract, lease, license, instrument, or other arrangement to which Target is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets) other than the ANB Line of Credit, except as set forth in Disclosure Schedule 4(c). Target does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except as set forth in Disclosure Schedule 4(c).

(d) *Brokers' Fees.* Target has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(e) *Title to Assets.* Target has good and valid title to, or a valid leasehold interest in, the properties and all of its assets, which assets are shown either on the Most Recent Balance Sheet or are listed on Disclosure Schedule 4(e), free and clear of all Liens other than the Liens created by or related to the ANB Line of Credit referenced in §2(a)(5).

(f) *Subsidiaries.* Target does not own any Subsidiaries.

(g) *Financial Statements.* Attached hereto as **Exhibit B** are the following financial statements (collectively the "*Financial Statements*");

(i) unaudited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow as of and for the fiscal years ended 2015 and 2016, and December 31, 2017, (the "*Most Recent Fiscal Year End*") for Target; and

(ii) unaudited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow (the "*Most Recent Financial Statements*") as of and for the months in 2018 ended June 30, 2018 (the "*Most Recent Fiscal Month End*") for Target. The Financial Statements (including the notes thereto) have been prepared for purposes of preparing Target's Federal Income Tax Return throughout the periods covered thereby and, from a Federal Income Tax reporting perspective, present fairly the financial condition of Target as of such dates and the results of operations of Target for such periods.

(h) *Events Subsequent to Most Recent 2017 Fiscal Year End.* Since the Most Recent Fiscal Year End for 2017, and the Most Recent Financial Statement for 2018, there has not been any Material Adverse Effect to Target, the Target Shares or the Business. Without limiting the generality of the foregoing, and except as set forth on Disclosure Schedule 4(h), since that date:

(i) Target has not sold, leased, transferred, or assigned, or experienced damage to or loss of, any of Target's assets, tangible or intangible;

(ii) Target has not entered into any agreement, contract, lease, license or other obligation that obligates Target to pay Five Thousand Dollars (\$5,000) or more;

(iii) no party (including Target) has accelerated, terminated, made material modifications to, or canceled any material agreement, contract, lease, or license to which Target is a party, or by which any of them is bound that would result in a Material Adverse Effect;

- (iv) Neither Target, nor any third party other than American National Bank, has imposed any Lien upon any of Target's Assets, tangible or intangible, or the Target Shares;
- (v) Target has not made any capital expenditures;
- (vi) Target has not made any material capital investment in, or any loan to, any other Person;
- (vii) Target has not created, incurred, assumed, or guaranteed more than One Dollar (\$1) in aggregate Indebtedness for borrowed money and capitalized lease obligations other than in connection with the ANB Line of Credit;
- (viii) Target has not transferred, assigned, or granted any license or sublicense of any rights under or with respect to any Intellectual Property;
- (ix) There has been no change made or authorized in the charter or bylaws of Target;
- (x) Neither Seller nor Target has issued, sold, pledged, assigned or otherwise disposed of any Target Shares, or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any of the Target Shares;
- (xi) Target has not declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any of its capital stock;
- (xii) Target has not experienced any damage, destruction, or loss (whether or not covered by insurance) to the Target Assets or to its property;
- (xiii) Target has not made any loan to any of its directors, officers or managers, nor has it made any loans to or entered into any other transaction with any of its employees;
- (xiv) Target has not entered into or terminated any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement, or entered into any collective bargaining relationship;
- (xv) Target has not granted any increase in the base compensation of any of its directors, officers, managers or employees;
- (xvi) Target has not adopted, amended, modified, or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, managers or employees (or taken any such action with respect to any other Employee Benefit Plan);
- (xvii) Target has not made any other change in employment terms for any of its directors, officers, managers or employees;

(xviii) Target has not implemented any employee layoffs requiring notice under the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state, local, or non-U.S. law, regulation, or ordinance (collectively the “*WARN Act*”);

(xix) Target has not made any loans or advances of money;

(xx) Target has not become subject to any judgments, orders, consent agreements, decrees or other legal requirements that may result in a Material Adverse Effect; and

(xxi) Target has not committed to do any of the foregoing acts.

(i) *Undisclosed Liabilities.* Target has no liabilities (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, including any liability for taxes) of a type that would be recorded on Target’s balance sheet if Target were using the accrual method of accounting in accordance with GAAP, except for: (i) liabilities included and described in the Most Recent Balance Sheet (rather than in any notes thereto); and (ii) those liabilities that have arisen since the Most Recent Fiscal Month End in the Ordinary Course of Business. Target has no unrecorded, undisclosed or contingent Indebtedness other than in connection with the ANB Line of Credit and other than those set forth on Disclosure Schedule 4(i).

(j) *Legal Compliance.*

(i) Target has complied in all material respects with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder and including the Foreign Corrupt Practices Act, 15 U.S.C. 78dd-1 *et seq.*) of federal, state, local, and non-U.S. governments (and all agencies thereof) affecting Target or the Business, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply, except as set forth in Disclosure Schedule 4(i).

(ii) The representatives of Target have not, to obtain or retain business, directly or indirectly offered, paid or promised to pay, or authorized the payment of, any money or other thing of value (including any fee, gift, sample, travel expense or entertainment with a value in excess of One Hundred Dollars (\$100) in the aggregate to any one individual in any year) to:

- (A) any person who is an official, officer, agent, employee or representative of any Governmental Body or of any existing or prospective customer (whether government owned or nongovernment owned);
- (B) any political party or official thereof;
- (C) any candidate for political or political party office; or
- (D) any other individual or entity;

while knowing or having reason to believe that all or any portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to any such official, officer, agent, employee, representative, political party, political party official, candidate, individual, or any entity affiliated with such customer, political party, official or political office.

(iii) Target has all Necessary Permits.

(k) *Tax Matters.*

(i) Target has filed all Federal Income Tax Returns and all other Tax Returns that it is required to file. All such Tax Returns are true and correct in all material respects. All Taxes due and owing by Target (whether or not shown on any Tax Return) have been paid and Target has not deferred any Taxes. Target is not currently the beneficiary of any extension of time within which to file any Tax Return. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Target. Target has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other Person, and Target has complied in all material respects with the related reporting requirements relating thereto.

(ii) Except as set forth on Disclosure Schedule 4(k)(ii), there is no dispute or claim concerning any Tax liability of Target either: (A) claimed or raised by any authority in writing; or (B) as to which Seller or the directors and officers of Target have Knowledge based upon personal contact with any agent of such authority.

(iii) Disclosure Schedule 4(k)(iii) lists all Federal, state, local, and non-U.S. Tax Returns filed with respect to Target for taxable periods ended on or after December 31, 2011, and indicates whether or not those Tax Returns that have been audited, and indicates whether or not those Tax Returns currently are the subject of audit. Seller has delivered to Buyer correct and complete copies of all Federal Income Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by Target since December 31, 2011. Target has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(iv) Target has not been a United States Real Property Holding Corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii). Target is not a party to or bound by any tax allocation or sharing agreement. Target (A) has not been a member of an Affiliated Group filing a consolidated Federal Income Tax Return, and (B) has no liability for the Taxes of any Person (other than Target) under Reg. §1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise.

(v) The unpaid Taxes of Target: (A) did not, as of the Most Recent Fiscal Month End, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Most Recent Balance Sheet; and (B) will not exceed that reserve as adjusted for operations and transactions through the Closing Date.

(vi) Target 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 as a result of any:

- (A) change in method of accounting for a taxable period ending in or prior to the Closing Date;
- (B) “closing agreement” as described in Code §7121 (or any corresponding or similar provision of state, local, or non-U.S. income Tax law) executed on or prior to the Closing Date;
- (C) installment sale or open transaction disposition made on or prior to the Closing Date; or
- (D) prepaid amount received on or prior to the Closing Date.

(vii) Target has not distributed stock of another Person, nor had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code §355 or Code §361.

(viii) Target is not, and has not been, a party to any “listed transaction,” as defined in Code §6707A(c)(2) and Reg. §1.6011-4(b)(2).

(ix) Target (and any predecessor of Target) has been a validly electing S-corporation within the meaning of Code §1361 and §1362 at all times during its existence and Target will be an S-corporation up to and including the Closing Date.

(x) Target has no potential liability for any Tax under Code §1374. Furthermore, Target shall not be liable for any Tax under Code §1374 in connection with the deemed sale of Target’s assets caused by the §338(h)(10) election. Target has not, in the past ten (10) years: (A) acquired assets from another corporation in a transaction in which Target’s Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor; or (B) acquired the stock of any corporation that is a qualified subchapter S subsidiary.

(l) *Real Property.*

(i) Target does not own any Owned Real Property.

(ii) Disclosure Schedule 4(l)(ii) sets forth the address of the only parcels of Leased Real Property, and identifies the Leases for that Leased Real Property (including the date and name of the parties to such Lease document). Seller has delivered to Buyer a true and complete copy of the Lease documents for that Leased Real Property. With respect to each Lease:

- (A) such Lease is legal, valid, binding, enforceable and in full force and effect;

(B) the transactions contemplated by this Agreement do not under the terms of any such Lease require the consent of any other party to such Lease, will not result in a breach of or default under such Lease, and will not otherwise cause such Lease to cease to be legal, valid, binding, enforceable and in full force and effect on identical terms following the Closing;

(C) none of Target's possession and quiet enjoyment of the Leased Real Property under such Lease has been disturbed and there are no disputes with respect to such Lease;

(D) neither Target, nor any other party to the Lease is in breach of or default under such Lease, and, no event has occurred or circumstance exists that, with the delivery of notice, the passage of time or both, would constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Lease;

(E) no security deposit or portion thereof deposited with respect to such Lease has been applied in respect of a breach of or default under such Lease that has not been redeposited in full;

(F) Target does not owe, and will not owe in the future, any brokerage commissions or finder's fees with respect to such Lease;

(G) Target has not subleased, licensed or otherwise granted any Person the right to use or occupy the Leased Real Property or any portion thereof; and

(H) Target has not collaterally assigned or granted any other Lien in such Lease or any interest therein.

(iii) The Leased Real Property identified in Disclosure Schedule 4(1)(ii) comprises all of the real property used, or intended to be used, in the business of Target; and Target is not a party to any agreement or option to purchase any real property or interest therein.

(iv) Target has made all rent and other payments required under the Lease and Target is not liable for paying the costs of any Improvements, repairs or betterments related to the Leased Real Property.

(m) *Intellectual Property.*

(i) To the Knowledge of Seller, Target, and its Business as presently conducted and as presently proposed to be conducted, have not and will not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third-parties; there are no facts indicating a likelihood of the foregoing; and Seller has not received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or conflict (including any claim that Target must license or refrain from using any Intellectual Property rights of any third-party). To the Knowledge of Seller, no third-party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with, any Intellectual Property rights of Target.

(ii) Disclosure Schedule 4(m)(ii) identifies each patent or registration which has been issued to Target with respect to any of its Intellectual Property, identifies each pending patent application or application for registration that Target has made with respect to any of its Intellectual Property, and identifies each material license, sublicense, agreement, covenant not to sue, or other permission that Target has granted to any third-party with respect to any of its Intellectual Property (together with any exceptions). Seller has delivered to Buyer correct and complete copies of all such patents, registrations, applications, licenses, sublicenses, agreements, covenants not to sue, and permissions (as amended to date). Disclosure Schedule 4(m)(ii) also identifies each material trade name or unregistered trademark, service mark, corporate name, internet domain name, copyright and material computer software item used by Target in connection with its Business. With respect to each item of Intellectual Property required to be identified in Disclosure Schedule 4(m)(ii):

- (A) Target possesses all right, title, and interest in and to the item, free and clear of any Lien, license, or other restriction;
- (B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;
- (C) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of Seller and the directors and officers of Target, is threatened that challenges the legality, validity, enforceability, use, or ownership of the item; and
- (D) Target has not ever agreed to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iii) Disclosure Schedule 4(m)(iii) identifies each item of Intellectual Property that any third-party owns and that Target uses pursuant to license, sublicense, agreement, covenant not to sue, or permission excluding off-the-shelf retail licensed software (e.g., Microsoft Windows or Microsoft Word). Seller has delivered to Buyer correct and complete copies of all such licenses, sublicenses, agreements, covenants not to sue, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in Disclosure Schedule 4(m)(iii):

- (A) the license, sublicense, agreement, covenant not to sue, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;
- (B) no party to the license, sublicense, agreement, covenant not to sue, or permission is in material breach or default, and no event has occurred that with notice or lapse of time would constitute a breach, default or permit termination, modification, or acceleration thereunder;

(C) no party to the license, sublicense, agreement, covenant not to sue, or permission has challenged in writing the enforceability of any material provision thereof;

(D) Target has not granted any sublicense or similar right with respect to the license, sublicense, agreement, covenant not to sue, or permission; and

(E) no loss or expiration of the item is, threatened, pending, or reasonably foreseeable, except for patents expiring at the end of their statutory terms (and not as a result of any act or omission by Seller or Target, including without limitation, a failure by Seller or Target to pay any required maintenance fees).

(iv) Target entered into agreements with each of its employees and has no 1099 contractors such that none of them retains any copyright or other intellectual property rights to any work product provided to clients of Target by those employees and there are no 1099 contractors.

(n) *Tangible Assets.* The machinery, equipment, and other tangible assets that Target owns or leases are set forth on the Most Recent Balance Sheet are free from material defects (patent and latent), have been maintained in accordance with normal industry practice, and are in good operating condition and repair (subject to normal wear and tear).

(o) *Inventory.* Target does not maintain any inventory of goods except as may be set forth on the Most Recent Balance Sheet.

(p) *Contracts.* Disclosure Schedule 4(p) lists the following contracts and other agreements, written or oral, to which Target is a party:

(i) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments in excess of Five Thousand Dollars (\$5,000) per annum;

(ii) any agreement (or group of related agreements) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one (1) year or involve consideration in excess of Five Thousand Dollars (\$5,000);

(iii) any agreement concerning a partnership or joint venture;

(iv) any agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any Indebtedness for borrowed money, or any capitalized lease obligation, in excess of One Dollar (\$1) or under which it has imposed a Lien on any of its assets, tangible or intangible;

(v) any agreement concerning confidentiality or non-competition;

(vi) any agreement with Seller and her Affiliates (other than Target);

(vii) any profit sharing, stock option, stock purchase, stock appreciation, phantom stock, cash bonuses due upon sale of Target, deferred compensation, severance, or other material plan or arrangement for the benefit of its current or former directors, officers, and employees;

(viii) any collective bargaining agreement;

(ix) any agreement for the employment of any individual on a full-time, part-time, consulting, or other basis providing any of the following: A) annual compensation in excess of Fifty Thousand Dollars (\$70,000); B) a guarantee of employment of one (1) year or more; or C) providing severance benefits;

(x) any agreement under which Target has advanced or loaned any amount to any of its directors, officers, managers or employees;

(xi) any agreement under which the consequences of a default or termination could have a Material Adverse Effect;

(xii) any agreement under which it has granted any Person any registration rights (including, without limitation, demand and piggyback registration rights);

(xiii) any settlement, conciliation or similar agreement with any governmental entity or which will likely involve payment after the Closing Date of consideration in excess of Five Thousand Dollars (\$5,000);

(xiv) any agreement under which Target has advanced or loaned any other Person amounts in the aggregate exceeding Five Thousand Dollars (\$5,000); or

(xv) any other agreement (or group of related agreements) the performance of which involves consideration or expenditures by Target in excess of Five Thousand Dollars (\$5,000).

(xvi) Disclosure Schedule 4(p)(i) contains a general description of the history and scope of any claims under warranties under contracts or agreements with clients for work done by Target for that client.

Seller has delivered to Buyer a correct and complete copy of each written contract listed in Disclosure Schedule 4(p) and a written summary setting forth the material terms and conditions of each oral agreement referred to in Disclosure Schedule 4(p). With respect to each such agreement: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect in all material respects; (B) Seller is not and, to the Knowledge of Seller, no other party is in material breach or default, and no event has occurred that with notice or lapse of time would constitute a material breach or default, or permit termination, modification, or acceleration, under the agreement; and (C) no party has challenged in writing the enforceability of any material provision of the agreement.

(q) *Notes and Accounts Receivable*. All notes and accounts receivable of Target are reflected properly on their books and records, are valid receivables subject to no setoffs or counterclaims known to Seller, are current and collectible and will be collected in accordance with their terms at the recorded amounts thereof, subject only to the reserve, if any, for bad debts set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto).

(r) *Powers of Attorney*. There are no outstanding powers of attorney executed on behalf of Target.

(s) *Insurance*. Disclosure Schedule 4(s) sets forth the following information with respect to each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage and bond and surety arrangements) to which Target is a party, a named insured, or otherwise the beneficiary of coverage:

- (i) the name, address, and telephone number of the agent;
- (ii) the name of the insurer, the name of the policyholder, and the name of each covered insured;
- (iii) the policy number, coverage limits, and the period of coverage;
- (iv) the scope (including an indication of whether the coverage is on a claims made, occurrence, or other basis) and available amounts (including a description of how deductibles and ceilings are calculated and operate) of coverage;
- (v) a description of any retroactive premium adjustments or other material loss-sharing arrangements;
- (vi) a description of any claims filed against each such policy within the past five (5) years; and
- (vii) a description of 'loss runs', including any worker's compensation policies.

With respect to each such insurance policy: (A) the policy is legal, valid, binding, enforceable, and in full force and effect in all material respects; (B) neither Target, nor to the Knowledge of Seller any other party to the policy is in material breach or default (including with respect to the payment of premiums or the giving of notices), and no event has occurred that, with notice or the lapse of time, would constitute such a material breach or default, or permit termination, modification, or acceleration, under the policy; and (C) no party to the policy has challenged in writing the enforceability of any material provision thereof. Disclosure Schedule 4(s) also describes any material self-insurance arrangements affecting Target. There have been no gaps in insurance coverage of the Target at any time.

(t) *Litigation*. Disclosure Schedule 4(t) sets forth each instance in which: (i) Target is subject to any outstanding injunction, judgment, order, decree, ruling, or charge; or (ii) Target is a party or the directors and officers of Target, are to Seller's Knowledge, threatened to be made a party, to any action, suit, proceeding, hearing, or investigation of, in, or before (or that could come before) any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before (or that could come before) any arbitrator.

(u) *Product Liability.* Target does not sell products in the Ordinary Course of Business and has no product liability exposure.

(v) *Key Employees.*

(i) Disclosure Schedule 4(v)(i) identifies each of the individuals who currently perform or have performed in the last twenty-four (24) months any of the following services for the Target: recruiting of workers, marketing and customer relations (each individual being a “*Key Employee*”). Furthermore, Disclosure Schedule 4(v)(i) sets forth the identity and job descriptions for each of the Key Employees. Each of the Key Employees has entered into a binding and enforceable confidentiality and non-solicitation agreement in the form (b) attached as part of Disclosure Schedule 4(v)(i). Seller is not, and to Seller’s Knowledge, the Key Employees are not subject to any non-competition or confidentiality agreement with any Person other than Target.

(ii) Disclosure Schedule 4(v)(ii) lists any intellectual property rights or copyright licenses agreements binding upon or obligating the Seller or, to the knowledge of Seller, any other Key Employee of the Target individually.

(iii) Disclosure Schedule 4(v)(iii) lists any franchise, distribution, commission, agency or representation agreements relating to the staffing, recruiting, and employee placement services business binding upon or obligating the Seller or, to the knowledge of Seller, any other Key Employee of the Target individually.

(w) *Employees.*

(i) To the actual knowledge of Seller without investigation, no directors or officers of Target, no executive, no Key Employee, or significant group of employees, plans to terminate employment with Target during the next twelve (12) months. Target is not a party to or bound by any collective bargaining agreement, nor has it experienced any strike or material grievance, claim of unfair labor practices, or other collective bargaining dispute within the past three (3) years. Target has not committed any material unfair labor practice. There is no organizational effort presently being made or, to Knowledge of Seller or the directors or officers of Target, threatened by or on behalf of any labor union with respect to employees of Target, except as set forth in Disclosure Schedule 4(w).

(ii) Within the past three (3) years, Target has not implemented any plant closing or layoff of employees requiring notice under the WARN Act, and no such action will be implemented without advance notification to Buyer. Disclosure Schedule 4(w) lists all full-time and part-time employees of Target.

(iii) Target is and since June 30, 2013 has been, in compliance in all material respects with all applicable Laws respecting labor, employment, fair employment practices, labor relations, terms and conditions of employment, immigration, employee classification and wages, hours, meal and break periods, hiring, promotion, termination, workers', compensation, occupational safety and health requirements, plant closings, withholding of taxes, employment discrimination, harassment, retaliation, disability rights or benefits, equal opportunity, equal pay, employee privacy, employee leave requirements, unemployment insurance and related matters ("*Labor Laws*"). Target has paid its current and former employees, officers, directors, managers, independent contractors and consultants or adequately accrued for in accordance with GAAP in the Financial Statements all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees, officers, directors, managers or consultants prior to June 30, 2018. Target has properly classified each of its employees, officers, directors, managers, independent contractors and consultants and "employees" or "independent contractors" and as "exempt" or "non-exempt" for all purposes (including with respect to eligibility for minimum wage and overtime under the Fair Labor Standards Act of 1938, as amended) and has properly reported all compensation paid to such employees, officers, directors, managers, independent contractors and consultants for all purposes and no reserves have been taken for any such matters. Target is, and since June 30, 2013 has been, in compliance with all documentation requirements of the Immigration Reform and Control Act of 1986, as amended, and the rules and regulations promulgated thereunder and no reserves have been taken for any such matters.

(iv) Since June 30, 2013 there has been, no Litigation pending or to the Knowledge of Seller threatened against Target by or before any Governmental Authority with respect to any current or former employees, officers, directors, managers or consultants of any Target, including any claim relating to the alleged violation of any Labor Law.

(x) *Employee Benefits.*

(i) Disclosure Schedule 4(x) lists each Employee Benefit Plan that Target maintains, to which Target contributes or has any obligation to contribute, or with respect to which Target has any liability.

(A) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) has been maintained, funded and administered in accordance with the terms of such Employee Benefit Plan and complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code, and other applicable laws.

(B) All required reports and descriptions (including Form 5500 annual reports, summary annual reports, and summary plan descriptions) have been timely filed and/or distributed in accordance with the applicable requirements of ERISA and the Code with respect to each such Employee Benefit Plan. The requirements of COBRA have been met in all material respects with respect to each such Employee Benefit Plan and each Employee Benefit Plan maintained by an ERISA Affiliate that is an Employee Welfare Benefit Plan subject to COBRA.

(C) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been made within the time periods prescribed by ERISA and the Code to each such Employee Benefit Plan that is an Employee Pension Benefit Plan and all contributions for any period ending on or before the Closing Date that are not yet due have been made to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of Target. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(D) Each such Employee Benefit Plan that is intended to meet the requirements of a “qualified plan” under Code §401(a) has received a determination from the Internal Revenue Service that such Employee Benefit Plan is so qualified, and Seller is not aware of any facts or circumstances that would reasonably be expected to adversely affect the qualified status of any such Employee Benefit Plan.

(E) There have been no Prohibited Transactions with respect to any such Employee Benefit Plan or any Employee Benefit Plan maintained by an ERISA Affiliate. No Fiduciary has any liability for material breach of fiduciary duty or any other material failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of Seller and the directors and officers of Target, threatened.

(F) Seller has delivered to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent determination letter received from the Internal Revenue Service, the most recent annual report (Form 5500, with all applicable attachments), and all related trust agreements, insurance contracts, and other funding arrangements which implement each such Employee Benefit Plan.

(ii) Neither Target nor any ERISA Affiliate contributes to, has any obligation to contribute to, or has any liability under or with respect to any Employee Pension Benefit Plan that is a “defined benefit plan” (as defined in ERISA §3(35)).

(iii) Neither Target nor any ERISA Affiliate contributes to, has any obligation to contribute to, or has any material liability (including withdrawal liability as defined in ERISA §4201) under or with respect to any Multiemployer Plan.

(iv) Target does not maintain, contribute to or have an obligation to contribute to, or have any material liability or potential liability with respect to, any Employee Welfare Benefit Plan or other arrangement providing health or life insurance or other welfare-type benefits for current or future retired or terminated employees (or any spouse or other dependent thereof) of Target other than in accordance with COBRA.

(v) The consummation of the transactions contemplated by this Agreement will not accelerate the time of the payment or vesting of, or increase the amount of, or result in the forfeiture of compensation or benefits under, any Employee Benefit Plan.

(vi) Disclosure Schedule 4(x)(vi) lists each written agreement, contract, or other arrangement - whether or not an Employee Benefit Plan (collectively a “*Nonqualified Plan*”) - to which Target is a party that is a “nonqualified deferred compensation plan” subject to Code §409A. Each Plan has been maintained in good faith compliance with Code §409A and the regulations thereunder and no amounts under any such Plan is or has been subject to the interest and additional tax set forth under Code §409A(a)(1)(B). Target has no actual or potential obligation to reimburse or otherwise “gross-up” any Person for the interest or additional tax set forth under Code §409A(a)(1)(B).

(y) *Guaranties*. Target is not a guarantor or otherwise responsible for any liability or obligation (including Indebtedness) of any other Person.

(z) *Environmental, Health, and Safety Matters*.

(i) Target has for the past five (5) years complied and is in compliance, in each case in all material respects, with all Environmental, Health, and Safety Requirements.

(ii) Without limiting the generality of the foregoing, Target has obtained, has for the past five (5) years complied, and is in compliance with, in each case in all material respects, all material permits, licenses and other authorizations that are required pursuant to Environmental, Health, and Safety Requirements for the occupation of its facilities and the operation of its business.

(iii) Target has not received any written notice, report, or other information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities, including any material investigatory, remedial, or corrective obligations, relating to any of them, their business, or their past or current facilities arising under Environmental, Health, and Safety Requirements.

(iv) Target has not treated, stored, disposed of, arranged for, permitted the disposal of, transported, handled, manufactured, distributed, exposed and person to or caused the release of any substance to the environment, including without limitation any hazardous substance, hazardous material or hazardous waste, or owned or operated any property or facility which is or has been contaminated by any such substance so as to give rise to any current or future liabilities, including any liability for fines, penalties, response costs, corrective action costs, personal injury, property damage, natural resources damages, or attorneys’ fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“*CERCLA*”), or the Solid Waste Disposal Act, as amended (“*SWDA*”), or any other Environmental, Health, and Safety Requirements.

(v) Target has not designed, manufactured, sold, marketed, installed, or distributed products or other items containing asbestos and none of such entities is, or will become, subject to any liabilities with respect to the presence of asbestos in any product or item or in or upon any property, premises, or facility.

(vi) Seller and Target have furnished to Buyer all environmental audits, reports, and other material environmental documents relating to Target's or its respective predecessors' or Affiliates' past or current properties, facilities, or operations that are in their possession, custody, or under their reasonable control.

(aa) *Business Continuity*. None of the computer software, computer hardware (whether general or special purpose), telecommunications capabilities (including all voice, data and video networks) and other similar or related items of automated, computerized, and/or software systems and any other networks or systems and related services that are used by or relied on by Target in the conduct of their Business (collectively, the "Systems") have experienced bugs, failures, breakdowns, or continued substandard performance in the past twelve (12) months that has caused any substantial disruption or interruption in, or to the use of, any such Systems by Target.

(bb) *Certain Business Relationships with Target*. Other than as disclosed on Disclosure Schedule 4(bb), none of Seller, her Affiliates or Target's directors, officers, employees, and shareholders has been involved in any material business arrangement or relationship with Target within the past twelve (12) months, and none of the Seller, her Affiliates or Target's directors, officers, employees, and shareholders owns any asset, tangible or intangible, that is used in the Business of Target.

(cc) Intentionally Omitted.

(dd) *Customers and Suppliers*. Disclosure Schedule 4(dd) lists the fifteen (15) largest customers of Target by revenue for each of the two (2) most recent fiscal years and sets forth opposite the name of each such customer the percentage of net sales attributable to such customer. Since the date of the Most Recent Balance Sheet, no supplier of Target has indicated in writing that it shall stop, or materially decrease the rate of, supplying materials, products or services to Target, and no customer listed on Disclosure Schedule 4(dd) has indicated in writing that it shall stop, or materially decrease the rate of, buying services from Target.

(ee) *Data Privacy*. Target's business has complied with and, as presently conducted and as presently proposed to be conducted, is in compliance with, all Data Laws except, in each case, to the extent that a failure to comply would not have a Material Adverse Effect. Target has complied with, and is presently in compliance with, its policies applicable to data privacy, data security, and/or personal information except, in each case, to the extent that a failure to comply would not have a Material Adverse Effect. Target has not experienced any incident in which personal information or other sensitive data was or may have been stolen or improperly accessed, and Target is not aware of any facts suggesting the likelihood of the foregoing, including without limitation, any breach of security or receipt of any notices or complaints from any Person regarding personal information or other data. Disclosure Schedule 4(ee) lists Target's data privacy and security policies and Seller agrees to deliver copies of all such policies to Buyer within ten (10) days from the date of this Agreement.

(ff) *Preferential Status*. There are no contracts with customers that either require the continuation of ownership of the Target by, or permit termination by the customer, due to Target's loss of small business status, woman-owned business status, disadvantaged business status, protégé status, "8(a)" status or other preferential status.

§4A. Representations and Warranties Concerning Seller Shares.

(a) *Seller's Representations and Warranties Concerning Buyer's Shares.* Seller represents and warrants to Buyer that the statements contained in this §4A(a) are correct and complete as of the date of this Agreement.

(i) *Access to Information.* Seller understands that an investment in the Buyer's Shares involves a high degree of risk and long term or permanent illiquidity, including, risk of loss of their entire investment. Seller has been given full and complete access to the Buyer for the purpose of obtaining such information as Seller or Seller's qualified representative has reasonably requested in connection with the decision to acquire the Buyer's Shares. Seller has received and reviewed copies of the Public Reports. Seller has been afforded the opportunity to ask questions of the officers of the Buyer regarding its business prospects, all as Seller (or Seller's investor's representatives) has deemed necessary to make an informed investment decision to purchase the Buyer's Shares.

(ii) *Restricted Securities.* (A) Seller has been advised that none of the Buyer's Shares have been registered under the Securities Act or any other applicable securities laws. Seller acknowledges that the Buyer's Shares will be issued as "restricted securities" as defined by Rule 144 promulgated pursuant to the Securities Act. None of the Buyer's Shares may be resold in the absence of an effective registration thereof under the Securities Act and applicable state securities laws unless, in the opinion of counsel reasonably satisfactory to the Buyer, an applicable exemption from registration is available; (B) Seller is acquiring the Buyer's Shares for Seller's own account, and not as nominee or agent, for investment purposes only and not with a view to, or for sale in connection with, a distribution, as that term is used in Section 2(11) of the Securities Act, in a manner which would require registration under the Securities Act or any state securities laws; (C) Seller understands and acknowledges that the certificates representing the Buyer's Shares will bear substantially the following legend:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE LAW, AND NO INTEREST THEREIN MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS: (i) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES; (ii) THE COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL REASONABLY SATISFACTORY TO THE COMPANY STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION; OR (iii) THE COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION."

and (D) Seller acknowledges that an investment in the Buyer's Shares is not liquid and is transferable only under limited conditions. Seller acknowledges that such securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Seller is aware of the provisions of Rule 144 promulgated under the Securities Act ("*Rule 144*"), which permits limited resale of restricted securities subject to the satisfaction of certain conditions and that Rule 144 is not now available and, in the future, may not become available for resale of any of the Buyer's Shares.

(iii) *Seller's Sophistication and Ability to Bear Risk of Loss.* Seller is an Accredited Investor as that term is defined in Regulation D of the Securities Exchange Act, and is able to protect its interests in connection with the acquisition of the Buyer's Shares and can bear the economic risk of investment in such securities without producing a material adverse change in Seller's financial condition. Seller, either alone or with Seller's representative(s), otherwise has such knowledge and experience in financial or business matters that Seller is capable of evaluating the merits and risks of the investment in the Buyer's Shares.

(b) *Buyer's Representations and Warranties Concerning Buyer's Shares.* Buyer represents and warrants to Seller that the statements contained in this §4A(b) are correct and complete as of the date of this Agreement, except as set forth in the Buyer's disclosure schedule accompanying this Agreement and initialed by the Parties (the "*Buyer's Disclosure Schedule*"). The Buyer's Disclosure Schedule will be arranged in sections corresponding to the lettered and numbered sections contained in this §4A(b).

(i) *Capitalization.* As of July 21, 2018, the Buyer's capitalization is 29,569,782 common stock shares. All outstanding shares of the Buyer's capital stock have been duly authorized and validly issued, and are fully paid, non-assessable, and free of any preemptive rights. There is only one class and series of common stock, which is the "Buyer's Common Stock." The Buyer's Shares are part of the Buyer's Common Stock. The Buyer's Common Stock does not have any special series, rights, preferences or designations assigned to it. There is only one class of preferred stock, which preferred stock is convertible into Buyer's Common Stock. Buyer does not have any outstanding options or warrants.

(ii) *Filings with SEC.* Buyer has made all filings with SEC that it has been required to make within the past two (2) years under the Securities Act and the Securities Exchange Act (collectively the "*Public Reports*"). To Buyer's knowledge, after reasonable inquiry, as of the time it was filed with the SEC (or, if amended or superseded by a filing prior to the date of this Agreement) each of the Public Reports: (i) has complied with the Securities Act and the Securities Exchange Act in all material respects; and (ii) does not contain any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. Buyer has made available to Seller, through the SEC's "*EDGAR System*," a correct and complete copy of each Public Report.

(iii) *Financial Statements.* Buyer has filed quarterly reports on Form 10-Q for the fiscal quarter ended March, 2018 (the “*Most Recent Fiscal Quarter End*”), and an annual report on Form 10-K for the fiscal year ended December 31, 2017. The financial statements included in or incorporated by reference into these Public Reports (including the related notes and schedules) have been prepared in accordance with GAAP throughout the periods covered thereby, and present fairly the financial condition of Buyer and its Subsidiaries as of the indicated dates and the results of operations of Buyer and its Subsidiaries for the indicated periods; provided, however, that the interim statements are subject to normal year-end adjustments.

(iv) *Events Subsequent to Most Recent Fiscal Quarter End.* Since the Most Recent Fiscal Quarter End, there has not been any Material Adverse Change.

§5. Intentionally Omitted.

§6. Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing:

(a) *General.* In case at any time after the Closing any further actions are necessary to carry out the purposes of this Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under §8 below). Seller acknowledges and agrees that, from and after the Closing Buyer will be entitled to possession of all documents, books, records (including tax records), agreements, insurance policies, title documents, and financial data of any sort relating to Target.

(b) *Litigation Support.* In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with:

(i) any transaction contemplated under this Agreement; or

(ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving Target, each of the other Parties will cooperate with him, her, or it and his, her, or its counsel in the contest or defense, make available his, her, or its personnel, and provide such testimony and access to his, her, or its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under §8 below).

(c) *Transition.* Seller shall not take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of Target from maintaining the same business relationships with Target after the Closing as it maintained with Target prior to the Closing.

(d) *Confidentiality.* Seller will treat and hold as such all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Buyer or destroy, at the request and option of Buyer, all tangible embodiments (and all copies) of the Confidential Information that are in his, her, or its possession. In the event that Seller is requested, or required pursuant to oral or written question or request, for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process to disclose any Confidential Information, that Seller will notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective order or waive compliance with the provisions of this §6(d). If, in the absence of a protective order or the receipt of a waiver hereunder, Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, that Seller may disclose the Confidential Information to the tribunal; provided, however, that Seller shall use her reasonable best efforts to obtain, at the reasonable request of Buyer, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate.

(e) *Covenant Not to Compete.* At the Closing, Seller shall enter into a Covenant not to Compete in the form of **Exhibit E** attached hereto (the “*Seller’s Non-Competition Agreement*”).

(f) *Filing of Reports.* From the Closing Date until the first anniversary of the Closing Date, so long as the Seller owns any of the Buyer’s Shares acquired hereby, the Buyer shall file on a timely basis, any and all Public Reports or amendments thereto, as it is required to file in order to remain fully current with all of its reporting obligations under the Securities Exchange Act so as to enable sales without resale limitations, pursuant to Rule 144, as amended (“*Rule 144 Sales*”). The Buyer shall pay for all opinions or similar letters to its transfer agent, as well as pay for all transfer agent costs, relating to the removal of the Rule 144 restrictive legend on share certificates representing the Buyer’s Shares. For the avoidance of doubt, all references herein to filings to be made on a “timely basis” shall include and mean, any extension periods permissible under Rule 12b-25 of the Securities Exchange Act, provided that the Buyer has complied with such rule, but not beyond said extension date.

(g) *Seller’s Piggyback Registration Rights.* If at any time during the period from the Closing Date until the date on which all the Buyer’s Shares may be sold pursuant to Rule 144, the Buyer shall determine to file with the Securities and Exchange Commission (the “SEC”) a Registration Statement relating to an offering for its own account or the account of others of any of its equity securities (other than on Form S-4 or Form S-8 or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plan), the Buyer shall send Seller written notice of such determination and, if within fifteen (15) business days after the date of such notice, Seller shall so request in writing, the Buyer shall include in such Registration Statement all or any part of the Buyer’s Shares that Seller request to be registered, except that if, in connection with any underwritten public offering for the account of the Buyer the managing underwriter(s) thereof shall impose a limitation on the number of shares of Common Stock which may be included in the Registration Statement because, in such underwriter(s)’ judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Buyer shall be obligated to include in such Registration Statement only such limited portion of the Buyer’s Shares with respect to which Seller has requested inclusion hereunder as the underwriter shall permit. Any exclusion of Buyer’s Shares shall be made on a pro rata basis with exclusions of any other issued and outstanding shares of the Buyer’s common stock proposed to be included in such underwritten public offering. If an offering in connection with which Seller is entitled to registration under this Section 6(g) is an underwritten offering, then Seller shall, unless otherwise agreed by the Buyer, offer and sell such shares in an underwritten offering using the same underwriter or underwriters and on the same terms and conditions as other shares of Common Stock included in such underwritten offering.

(h) *Personal Guaranties.* Buyer shall use commercially reasonable efforts to obtain, as soon as reasonably practicable following the Closing, releases of the Seller and her affiliates from any and all obligations or liabilities arising from and after Closing under the personal guaranties provided to American National Bank as well as the personal guaranties listed on Schedule 6(h) attached hereto (collectively, the "Seller Guaranties"); provided, that, if and to the extent such releases cannot be obtained, then the Buyer shall indemnify the guarantor(s) from any such obligations or liabilities arising from and after Closing pursuant to and subject to the provisions of §8 below. To the extent a release from American National Bank cannot be obtained, then the Buyer shall indemnify Seller from any such obligations or liabilities arising from or related to the ANB Line of Credit.

§7. Closing Deliveries.

(a) *Closing Deliveries of Seller.*

- (i) Buyer shall have received the resignations, effective as of the Closing, of each director and officer of Target;
- (ii) Seller shall have entered into a release with Buyer and Target in the form attached hereto as **Exhibit C** ("*Seller's Release*"), and such release shall be in full force and effect as of the Closing;
- (iii) Seller shall have entered into the Seller's Non-Competition Agreement, in the form attached hereto as **Exhibit D** and such agreement shall be in full force and effect as of the Closing;
- (iv) Seller shall have entered into an employment agreement with Buyer in the form attached hereto as **Exhibit E** ("*Seller's Employment Agreement*"), and such agreement shall be in full force and effect as of the Closing;
- (v) Seller shall have delivered to Buyer copies of the articles of incorporation of Target certified on or soon before the Closing Date by the Secretary of State (or comparable officer) of the jurisdiction of Target's incorporation;
- (vi) Seller shall have delivered to Buyer copies of the certificate of good standing of Target issued on or soon before the Closing Date by the Secretary of State (or comparable officer) of the jurisdiction of Target's organization and of each jurisdiction in which Target is qualified to do business;
- (vii) Seller shall have delivered to Buyer a certificate of the secretary or an assistant secretary of Target, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, as to: (i) the certificate of incorporation of Target and any amendments to the certificate of incorporation of Target and any amendments thereto; (ii) the bylaws of the Target; and (iii) any resolutions of the board of directors (or a duly authorized committee thereof) of the Target relating to this Agreement and the transactions contemplated hereby.

Buyer may waive any condition specified in this §7(a) if it executes a writing so stating at or prior to the Closing.

(b) *Closing Deliveries of Buyer.*

(i) Buyer shall have entered into the Seller's Release and such release shall be in full force and effect as of the Closing;

(ii) Buyer shall have entered into the Non-Competition Agreement, and such agreement shall be in full force and effect as of the Closing;

(iii) Buyer shall have entered into the Employment Agreement, and such agreement shall be in full force and effect as of the Closing;

(iv) Buyer shall have delivered to Seller a certificate of the secretary or an assistant secretary of Buyer, dated the Closing Date, in form and substance reasonably satisfactory to Seller, as to: (i) the certificate of incorporation of Buyer and any amendments to the certificate of incorporation of Buyer; (ii) the bylaws of the Buyer; and (iii) any resolutions of the board of directors (or a duly authorized committee thereof) of the Buyer relating to this Agreement and the transactions contemplated hereby;

(v) Buyer shall have delivered to Seller Promissory Note #1 duly executed by Buyer.

§8. Remedies for Breaches of This Agreement.

(a) *Survival of Representations and Warranties.* The "Fundamental Representations and Warranties" of Seller are the representations and warranties of Seller in §3(a)(v) *Target Shares* and the following representations and warranties of Seller in §4: §4(a) *Organization, Qualification and Corporate Power*; 4(b) *Capitalization*; 4(e) *Title to Assets*; 4(i) *Undisclosed Liabilities*; 4(k) *Tax Matters*; and 4(x) *Employee Benefits*. All representations and warranties of Seller that are not Fundamental Representations and Warranties are the "Non-Fundamental Representations and Warranties." All representations and warranties of the Parties survive the Closing. The Non-Fundamental Representations and Warranties shall survive the Closing hereunder and continue in full force and effect for a period of eighteen (18) months thereafter. All of the other representations and warranties of the Parties contained in this Agreement (including the other representations and warranties of the Parties contained in §3 and §4A above and the Fundamental Representations and Warranties) shall survive the Closing and continue in full force and effect until thirty (30) days following the expiration of the applicable statutes of limitations (including any extension thereto). The covenants and agreements of the Parties shall survive the Closing in accordance with their terms.

(b) *Indemnification Provisions for Buyer's Benefit.* In the event Seller breaches any of Seller's representations, warranties, covenants or agreements contained herein, and provided that Buyer makes a written claim for indemnification against Seller pursuant to §11(h) below within the applicable survival period (in §8(a) above) if there is an applicable survival period pursuant to §8(a) above), then Seller shall be obligated to indemnify Buyer from and against such Adverse Consequences Buyer may incur (including any Adverse Consequences Buyer may incur after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach, subject to the limitations and qualifications on Seller's indemnification obligations contained below. In addition, Seller agrees to indemnify Buyer for any Adverse Consequences arising out of the matters disclosed on Disclosure Schedule 4(t) subject to the limitations and qualifications on Seller's indemnification obligations contained below.

Seller's indemnification obligations hereunder shall be subject to the following limitations and qualifications:

(i) Seller shall not have any obligation to indemnify Buyer for (A) a breach of any of the Non-Fundamental Representations and Warranties of Seller, (B) for the matters disclosed on Disclosure Schedule 4(t); or (C) as to matters indemnified against in §9(a) below, until Buyer has suffered Adverse Consequences by reason of all such breaches in excess of Forty Thousand Dollars (\$40,000) ("*Indemnification Deductible*") after which point Seller will be obligated to indemnify Buyer from and against Adverse Consequences in excess of the Indemnification Deductible as provided herein;

(ii) Notwithstanding anything contained herein to the contrary, the aggregate liability of the Seller to the Buyer Indemnified Parties for indemnification claims hereunder shall under no circumstances exceed the amount of the Purchase Price;

(iii) there will be an aggregate ceiling in the amount equal to Fifty Thousand Dollars (\$50,000) ("*Indemnification Ceiling*") on the obligation of Seller to indemnify Buyer from and against Adverse Consequences resulting from, arising out of, relating to, in the nature of, or caused by (A) a breach of any of the Non-Fundamental Representations and Warranties of Seller, or (B) for the matters disclosed on Disclosure Schedule 4(t);

(iv) Buyer's recourse to recover for a breach of any of the Seller's representations and warranties (including the Fundamental Representations and Warranties and the Non-Fundamental Representations and Warranties) shall be limited solely to recourse against the Buyer's Shares and to offset against the Initial Incentive Shares and Additional Incentive Shares. Notwithstanding the foregoing, if Buyer is unable to recover the Buyer's Shares because they have been disposed of or encumbered, Buyer shall have the right to seek recovery of up to a maximum amount equal to the amount Buyer has paid to Seller under the Promissory Notes (described in Section 2 above) as of the date of such breach (in addition to the Initial Incentive Shares and Additional Incentive Shares).

(v) In calculating the amount of any Adverse Consequences hereunder, the amount of such Adverse Consequences shall be reduced by any amounts recovered or recoverable by Buyer, as applicable, under insurance policies.

(vi) Subject to the other terms and conditions of this Article 8, Adverse Consequences for any and all breaches of representations and warranties (including the Fundamental Representations and Warranties and the Non-Fundamental Representations and Warranties) will be satisfied first against the Buyer's Shares held by the Seller before Buyer seeks recourse against the Initial Incentive Shares and Additional Incentive Shares of Seller. (Notwithstanding anything to the contrary, if the aggregate amount of Adverse Consequences asserted by Buyer exceeds the fair market value of the Buyer's Shares, then Buyer may simultaneously pursue other assets of Seller, so long as in any such case recovery is made first against the Buyer's Shares held by Buyer.)

(vii) No Party hereto shall be obligated to indemnify any other Person with respect to any Adverse Consequences with respect to any matter raised in the calculation of the adjustment of the Purchase Price pursuant to Section 2(a)(v).

(viii) For purposes of this Section 8, any breach of or inaccuracy in any representation or warranty (other than the first sentence of Section 4(h)) 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) *Indemnification Provisions for Seller's Benefit.* In the event Buyer breaches any of its representations, warranties, covenants or agreements contained herein, and provided that Seller makes a written claim for indemnification against Buyer pursuant to §11(h) below within the applicable survival period (in §8(a) above) then Buyer agrees to indemnify Seller from and against the entirety of any Adverse Consequences Seller may incur (including any Adverse Consequences Seller may incur after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach. In addition, in accordance with Section 6(h) above, Buyer agrees to indemnify Seller for any Adverse Consequences arising from and after the Closing Date under any Seller Guaranty, but excluding any Adverse Consequences that arise from a breach by Target or Seller prior to Closing with respect to the Personal Guaranties or the underlying liabilities being guaranteed.

(d) *Matters Involving Third-Parties.*

(i) If any third-party notifies either Party (the "*Indemnified Party*") with respect to any matter (a "*Third-Party Claim*") that may give rise to a claim for indemnification against the other Party (the "*Indemnifying Party*") under this §8, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(ii) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of his, her, or its choice reasonably satisfactory to the Indemnified Party at any time within fifteen (15) days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve the rights and defenses of the Indemnified Party; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(iii) So long as the Indemnifying Party has assumed, and is conducting the defense of the Third-Party Claim in accordance with §8(d)(ii) above, (A) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by the Indemnifying Party and does not impose an injunction or other equitable relief upon the Indemnified Party, and (B) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(iv) In the event that the Indemnifying Party and the Indemnified Party mutually agree that the Indemnified Party will assume and conduct the defense of the Third-Party Claim, (A) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim; provided that the Indemnified Person will not consent to the entry of any judgment or enter into any compromise or settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Person, and (B) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this §8.

(iv) In the event that the Indemnifying Party fails to agree to the defense of the Third-Party Claim by the Indemnified Party and does not assume and conduct the defense of the Third-Party Claim in accordance with §8(d)(ii) above, (A) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner he, she, or it may reasonably deem appropriate and need not consult with or obtain the consent from the Indemnifying Party in connection therewith, and (B) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this §8.

(e) *Determination of Adverse Consequences.* Indemnification payments under this §8 and §9 (below) shall be paid by the Indemnifying Party without reduction for any Tax Benefits available to the Indemnified Party. The Parties shall make appropriate adjustments for insurance coverage and take into account the time cost of money (using the Applicable Rate as the discount rate) in determining Adverse Consequences for purposes of this §8. All indemnification payments under this §8 and §9 (below) shall be deemed adjustments to the Purchase Price.

(f) *Exclusive Remedy.* Buyer and Seller acknowledge and agree that the foregoing indemnification provisions in this §8 and the indemnification provisions of §9 shall be the exclusive remedy of Buyer and Seller against each other with respect to breaches of the representations, warranties, covenants and agreements contained in this Agreement, and the transactions contemplated by this Agreement with the exception of actual fraud. Seller hereby agrees that she will not make any claim for indemnification against Target or Buyer by reason of the fact that she was a director, officer, employee, or agent of any such entity or was serving at the request of any such entity as a partner, trustee, director, officer, employee, or agent of another entity (whether such claim is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses, or otherwise and whether such claim is pursuant to any statute, charter document, bylaw, agreement, or otherwise) with respect to any action, suit, proceeding, complaint, claim, or demand brought by Buyer against Seller (whether such action, suit, proceeding, complaint, claim, or demand is pursuant to this Agreement, applicable law, or otherwise).

§9. Tax Matters.

The following provisions shall govern the allocation of responsibility as between Buyer and Seller for certain Tax matters following the Closing Date:

(a) *Tax Indemnification.* Seller shall indemnify Target and Buyer and hold them harmless from and against: (i) all Income and other Taxes (or the non-payment thereof) of Target for all taxable periods ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date (“*Pre-Closing Tax Period*”); (ii) any and all Income and other Taxes of any member of an affiliated, consolidated, combined, or unitary group of which Target (or any predecessor) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation §1.1502-6 or any analogous or similar state, local, or non-U.S. law or regulation; and (iii) any and all Income and other Taxes of any person (other than Target) imposed on Target as a transferee or successor, by contract or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing; provided, however, that in the case of clauses (i), (ii) and (iii) above, Seller shall be liable only to the extent that such Income Taxes are in excess of the amount, if any, reserved for such Taxes (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) on the face of the Most Recent Balance Sheet (rather than in any notes thereto). Seller shall reimburse Buyer for any Taxes of Target that are the responsibility of Seller pursuant to this §9(a) within fifteen (15) Business Days after payment of such Taxes by Buyer or Target.

(b) *Responsibility for Filing Tax Returns.* Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for Target for all periods ending on or prior to the Closing Date that are filed after the Closing Date. Buyer shall permit Seller to review and comment on each such Tax Return described in the preceding sentence prior to filing and shall make all changes as are reasonably requested by Seller. To the extent permitted by applicable law, Seller shall include any income, gain, loss, deduction or other tax items for such periods on Seller’s Tax Return in a manner consistent with the Schedule K-1 prepared by Target for such periods. Without limiting the generality of the immediately foregoing sentence, the Parties expressly agree that the Employee Bonuses, as well as any related payroll taxes or fees, shall be deemed to have been made prior to the Closing so that the associated tax deductions will inure to the benefit of the Seller.

(c) *Intentionally left blank*

(d) *Refunds and Tax Benefits.* Any Income Tax refunds that are received by Buyer or Target, and any amounts credited against Income Tax to which Buyer or Target become entitled, that relate to Income Tax periods or portions thereof ending on or before the Closing Date shall be for the account of Seller, and Buyer shall pay over to Seller any such refund or the amount of any such credit within fifteen (15) Business Days after receipt or entitlement thereto. In addition, to the extent that a claim for refund or a proceeding results in a payment or credit against Income Tax by a taxing authority to Buyer or Target of any amount accrued on the Most Recent Balance Sheet, Buyer shall pay such amount to Seller within fifteen (15) Business Days after receipt or entitlement thereto.

(e) *Cooperation on Tax Matters.*

(i) Buyer, Target and Seller shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Target, Seller and Buyer agree: (A) to retain all books and records with respect to Tax matters pertinent to Target relating to any taxable period beginning before the Closing Date until expiration of the statute of limitations (and, to the extent notified by Buyer or Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority; and (B) to give the other Party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Target or Seller, as the case may be, shall allow the other Party to take possession of such books and records.

(ii) Buyer and Seller further agree, upon request, to use their best efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(f) *Certain Taxes and Fees.* All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the transactions contemplated herein shall be paid by Seller when due, and the Party required by applicable law shall file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable law, the other Party/Parties shall, and shall cause their Affiliates to, join in the execution of any such Tax Returns and other documentation. The expense of such filings shall be paid one-half by Buyer and one-half by Seller.

§10 Section 338(h)(10) Election. At Buyer's option, Target and Seller shall join with Buyer in making an election under Section 338(h)(10) (and any corresponding election under state and local tax law), in accordance with the following provisions.

(a) *Buyer's payment to Sellers for costs of Section 338(h)(10) Election as additional consideration for Target Shares.* As additional consideration for the purchase of the Target Shares under this Agreement, and in consideration for the agreement of Seller to make the Section 338(h)(10) Election pursuant to subsection (e) below, Buyer shall pay to the Seller such amount as is required to cause Seller to be in the same after-tax economic position with respect to the sale of the Target Shares in which they would have been if the Section 338 Election not been made (the "Section 338 Price Increase"). The Parties agree that any payment among the Parties in respect of the amount of Section 338 Price Increase (other than interest thereon) shall be deemed to be an adjustment in the amount of the Purchase Price. Each payment by Buyer shall be made when reasonably requested by Seller, but Buyer is not required to make the payment in advance of ten (10) days prior to the last date on which the applicable Tax amount would be due after taking into account available extensions. Seller agrees to file applicable extensions for the applicable Tax returns if reasonably requested in writing by Buyer.

(b) *Computation and payment of estimated Section 338 Price Increase.* The Company shall cause Friedman LLP (the "Accountant") to prepare and deliver to the Parties a computation of the Section 338 Price Increase (as defined below) as soon as practical after September 30, 2018.

(c) *Factors included in the Section 338 Price Increase.* The Section 338 Price Increase shall take into account, without limitation, the following:

(1) All Taxes imposed on Seller as a result of the making of the Section 338(h)(10) Election (including Income Taxes on the increases to the Purchase Price required under this Section), to the extent such Taxes exceed the amount of such Taxes that would have been imposed on the Seller if the Section 338(h)(10) Election had not been made with respect to the acquisition of the Shares hereunder; and

(2) All other reasonable costs incurred by Seller as a result of the Section 338(h)(10) Election, including reasonable costs incurred in connection with review of documents, computations and tax filings or participation in examinations related to the Section 338(h)(10) Election and its consequences (including the computations required under this Section) (the "Incidental Costs") subject to a maximum payment to the Accountant of \$5,000.

(d) *Assumptions controlling computation of Section 338 Price Increase.* The Section 338 Price Increase shall be computed using the following assumptions:

(1) Seller would have recognized long-term capital gain and no ordinary income on the sale of the Target Shares, except for the amount reasonably allocated by Buyer to the Non-Competition Agreement; and any payments would have been required to be characterized as interest);

(2) Seller has no other installment receivables arising in the year of the Closing which are being reported on the installment method pursuant to Section 453 of the Code;

(e) *Agreement to make Section 338(h)(10) Election and file consistently.* Seller shall join with the Buyer in making an election under Section 338(h)(10) of the Code (and any similar elections under state, local, or foreign tax law) (collectively, a “Section 338(h)(10) Election”) with respect to the purchase and sale of the Shares hereunder, provided that the Buyer shall be obligated to pay to Seller an amount equal to the excess if any of Seller’s Section 338 Price Increase computed pursuant to subsection (g)(i) over the estimated Section 338 Price Increase paid pursuant to subsection (b) above, on or before the applicable dates required in this Section 10. For Income Tax purposes, Buyer and Seller will report the stock purchase as a purchase and sale, respectively, of the assets of Target, where such treatment is the required consequence of the Section 338 Election. Seller shall include any income, gain, loss, deduction or other tax items for the taxable period ending on the Closing Date on the Seller’s personal Tax Return in a manner consistent with the Form K-1s (or their equivalent) furnished by Buyer to Seller.

(f) *Preparation and filing of Section 338 Forms.*

(i) At least ninety (90) days prior to the latest permissible date for filing the Section 338(h)(10) Election, Buyer shall prepare and submit to Seller the Section 338 Forms required to be filed to make such election. With the submission of such Section 338 Forms, Buyer shall advise Seller in writing of those actions that Buyer considers necessary and appropriate for the Seller to take to effect, preserve, or perfect a timely Section 338(h)(10) Election. Buyer shall not file any Section 338 Form unless it shall have obtained Seller’s written consent thereto, which consent shall not be unreasonably withheld or delayed.

(ii) On or prior to the thirtieth (30th) day after Seller’s receipt of any Section 338 Form from Buyer, Seller shall deliver to Buyer either (A) such executed Section 338 Form and a consent to its filing or (B) a written notice specifying in reasonable detail all disputed items and the basis therefor. If Buyer and Seller have been unable to resolve all disputed matters relating to the Section 338 Form within thirty (30) days after Buyer’s receipt of the written notice described in clause (B) above, any remaining disputed issues shall be resolved mutually between the Buyer and Seller.

(iii) Buyer will have the sole responsibility for assuring that the Section 338(h)(10) Election is validly and timely made. Seller (to the extent so advised by the Buyer pursuant to subsection (f)(i)) and the Buyer shall comply fully with all filing and other requirements necessary to effectuate such Section 338(h)(10) Election on a timely basis and agree to cooperate in good faith with each other in the preparation and timely filing of any Tax Returns required to be filed in connection with the making of such Section 338(h)(10) Election.

(iv) Seller and Buyer shall use their best efforts to mutually agree upon the initial determination and allocation among the assets of the Company of the “aggregate deemed sale price” and “adjusted grossed up basis” (within the meaning of Treas. Regs. Sections 1.338-4 and 1.338-5 respectively), as soon as practicable after September 30, 2018. Such allocation shall be made in accordance with Section 338 of the Code and the regulations thereunder. When finally determined hereunder (whether by agreement or otherwise) such allocation shall be binding upon each of Seller and Buyer for all purposes (including financial accounting purposes, financial and regulatory reporting purposes and Tax purposes).

(g) *Computation and payment of revised Section 338 Price Increase.*

- (i) Buyer promptly shall cause the Independent Accountants serving as arbiter to prepare a recomputation of the Section 338 Price Increase upon receipt of written notice from Seller to Buyer that such a recomputation is necessary to reflect either a change to the income recognized by reason of the Section 338(h)(10) Election (including by reason of a change in the Purchase Price) or a redetermination by a taxing authority of the effect on Sellers of the Section 338(h)(10) Election that is inconsistent with the most recent computations of the Section 338 Price Increase. Subsequent payments between the Parties as a result of any subsequent adjustments to the Section 338 Price Increase amount shall be made the later of the following within five (5) business days after the date that a revised computation of the Section 338 Price Increase is determined by the Arbiter and provided to the Parties.
- (ii) In the case of any payment in respect of the Section 338 Price Increase under this Section, Buyer shall pay with such Section 338 Price Increase payment interest on the amount payable at the rate of 6% per annum from the Closing Date to the date of payment.

§11. Miscellaneous.

- (a) Intentionally Omitted.

(b) *Press Releases and Public Announcements.* None of the Seller, the Target, or any officer, employee, representative or agent of the Target, will issue any press release or other public announcement regarding the proposed Agreement. Seller and Target shall use best efforts to cause Target's employees to not disclose any information about the transaction or confidential Buyer information that is non-public or trade in Buyer's stock or disseminate insider information unless approved in advance by Buyer's counsel in writing. Prior to Closing, no clients or employees of either Party will be contacted by the other Party or otherwise informed about a possible transaction unless mutually agreed upon by the Parties. After Closing, no client or employee notifications will be made unless approved in writing by the Buyer. Once Closing has occurred, only the Buyer will make any announcement at its sole discretion. The Buyer will not announce any transaction prior to Closing unless the Parties mutually agree to such disclosure, or it is required to do so as determined by Buyer's counsel because of SEC rules, regulations and interpretations.

(c) *No Third-Party Beneficiaries.* Except as provided in §8 above, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(d) *Entire Agreement.* This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(e) *Succession and Assignment.* This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his, her, or its rights, interests, or obligations hereunder without the prior written approval of Buyer and Seller; provided, however, that Buyer may: (i) assign any or all of its rights and interests hereunder to one (1) or more of its Affiliates; and (ii) designate one (1) or more of its Affiliates to perform its obligations hereunder (in any or all of which cases Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

(f) *Counterparts.* This Agreement may be executed in one (1) or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(g) *Headings.* The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) *Notices.* All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly 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) one (1) Business Day after being sent to the recipient by facsimile transmission or electronic mail; 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:

If to Buyer:

With a Copy to:

Kane Kessler
Attn: Peter Campitiello
666 Third Avenue
New York, NY 10017-4041

If to Seller/Target:

With a Copy to:

Carruthers & Roth, P.A.
Attn: Nicholas Bakatsias
235 N. Edgeworth Street
Greensboro, NC 27403

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(i) *Governing Law, Jurisdiction, Venue and Service of Process.* This Agreement shall be governed by and construed in accordance with the domestic laws of the State of North Carolina without giving effect to any choice or conflict of law provision or rule (whether of the State of North Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of North Carolina. The Parties agree that the courts of the State of North Carolina and the federal courts of the United States located in the State of North Carolina shall have non-exclusive jurisdiction over any dispute, claim or controversy which may arise involving this Agreement or its subject matter. The Parties waive any defense of lack of personal jurisdiction that any of them may have otherwise had to an action brought in North Carolina. The Parties agree that exclusive venue shall lie solely in the appropriate federal or state court located in Mecklenburg County, North Carolina; provided that this provision shall not prohibit a Party from commencing an action in any court with appropriate jurisdiction for the purpose of enforcing this choice of venue provision, and bringing such an action shall not serve to waive such Party's rights under the choice of venue provision. The Parties irrevocably submit and consent to the above jurisdiction and chosen venue and except as provided herein waive any right they may have to bring or maintain an action in any other jurisdiction or venue or seek any change of jurisdiction or venue or that such venue is inconvenient. The Parties agree that service of process in any proceeding in any such court may be effected by U.S.P.S. certified mail at the addresses as stated herein.

(j) *Amendments and Waivers.* No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(k) *Severability.* Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof, or the validity or enforceability of the offending term or provision in any other situation, or in any other jurisdiction.

(l) *Expenses.* Each Buyer, Seller and Target will bear his, her, or its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby; provided, however, that (except as provided in §9(g) above) Seller will also bear the cost and expenses of Target (including all of Target's legal fees and expenses) in connection with this Agreement and the transactions contemplated hereby in the event that the transactions contemplated by this Agreement are consummated.

(m) *Construction.* The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or non-U.S. statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

(n) *Incorporation of Annexes, Exhibits, Appendices, and Schedules.* The Annexes, Exhibits, Appendices, and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(o) *Governing Language.* This Agreement has been negotiated and executed by the Parties in English. In the event any translation of this Agreement is prepared for convenience or any other purpose, the provisions of the English version shall prevail.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

“BUYER”

“SELLER”

XSports Global, Inc., a
Wyoming corporation

By: _____
Print
Name: _____
Title: _____

Kristi Griggs, individually

EXHIBIT A – DEFINITIONS

“*1099 Contractors*” means any personnel who are “leased” to customers of Target or whose services are provided to customers of Target including those provided directly or through entities (e.g. corporations) owned by the personnel, who are not treated as being W-2 employees of Target.

“*Accredited Investor*” has the meaning set forth in Regulation D promulgated under the Securities Act.

“*Adverse Consequences*” means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses, and fees, including court costs and reasonable attorneys’ fees and expenses. For purposes of indemnification under this Agreement, the term Adverse Consequences shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification.

“*Affiliate*” means: (i) in the case of an individual, the members of the immediate family (including the individual's spouse and the parents, siblings and children of the individual and/or the individual's spouse) and any Business Entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, any of the foregoing individuals; or (ii) in the case of a Business Entity, another Business Entity or a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the Business Entity.

“*Affiliated Group*” means any affiliated group within the meaning of Code §1504(a) or any similar group defined under a similar provision of state, local, or non-U.S. law.

“*Applicable Rate*” means the corporate base rate of interest publicly announced from time to time by Wells Fargo Bank, N.A.

“*Basis*” means any past or present fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that forms, or could form, the basis for any specified consequence.

“*Business*” means the staffing, recruiting, and employee placement services of Target, including all related services provided by Target.

“*Business Day*” means any day, excluding Saturday, Sunday and any national or Florida state holiday.

“*Business Entity*” means any corporation, partnership, limited liability company, trust or other domestic or foreign form of business association or organization.

“*Buyer*” has the meaning set forth in the preface.

“*Buyer Common Stock*” means the no par value common stock of XSport Global, Inc.

“*Buyer’s Disclosure Schedule*” has the meaning set forth in §4A(b).

“*Buyer’s Shares*” has the meaning set forth in §2(a)(i).

“*CERCLA*” has the meaning set forth in §4(z)(iv).

“*Charter*” means the Certificate of Incorporation, Articles of Incorporation or Organization or other organizational document of a corporation or other Business Entity, as amended and restated through the date hereof.

“*Closing*” has the meaning set forth in §1(c).

“*Closing Date*” has the meaning set forth in §1(c).

“*COBRA*” means the requirements of Part 6 of Subtitle B of Title I of ERISA and Code §4980B and of any similar state law.

“*Code*” means the Internal Revenue Code of 1986, and the regulations thereunder, published Internal Revenue Service rulings, and court decisions in respect thereof, all as the same shall be in effect at the time.

“*Compliance*” or words of similar meaning shall mean adherence, in all material respects, to any and all Legal Requirements.

“*Confidential Information*” means any information concerning the Business and affairs of Target that is not already generally available to the public.

“*Data Laws*” means laws, regulations, guidelines, and rules in any jurisdiction (federal, state, provincial, or local) applicable to data privacy, data security, and/or personal information, as well as industry standards applicable to Target.

“*Disclosure Schedule*” or “*Disclosure Schedules*” has the meaning set forth in §4.

“*Earnout*” has the meaning set forth in §2.

“*Employee Benefit Plan*” means any “employee benefit plan” (as such term is defined in ERISA §3(3)) and any other material employee benefit plan, program or arrangement of any kind.

“*Employee Pension Benefit Plan*” has the meaning set forth in ERISA §3(2).

“*Employee Welfare Benefit Plan*” has the meaning set forth in ERISA §3(1).

“*Environmental, Health, and Safety Requirements*” means all federal, state, local, and non-U.S. statutes, regulations, ordinances, and similar provisions having the force or effect of law, all judicial and administrative orders and determinations, and all common law concerning public health and safety, worker health and safety, pollution, or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, exposure to, or cleanup of any hazardous materials, substances, wastes, chemical substances, mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise, odor, mold, or radiation.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, and any similar or successor federal statute, and the rules, regulations and interpretations thereunder, all as the same shall be in effect at the time.

“*ERISA Affiliate*” means, for purposes of Title IV of ERISA, any trade or business, whether or not incorporated, that together with Target, would be deemed to be a "single employer" within the meaning of Section 4001 of ERISA, and, for purposes of the Code, any member of any group that, together with Target, is treated as a "single employer" for purposes of Section 414 of the Code.

“*Fiduciary*” has the meaning set forth in ERISA §3(21).

“*Financial Statements*” has the meaning set forth in §4(g).

“*Fundamental Representations and Warranties*” has the meaning set forth in §8(a).

“*GAAP*” means United States generally accepted accounting principles as in effect from time to time, consistently applied.

“*Improvements*” has the meaning set forth in §4(l).

“*Income Tax*” means any federal, state, local, or non-U.S. Income Tax, including any interest, penalty, or addition thereto, whether disputed or not.

“*Income Tax Return*” means any return, declaration, report, claim for refund, or information return or statement relating to Income Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“*Indebtedness*” means all obligations, contingent or otherwise, whether current or long-term, which in accordance with GAAP would be classified upon the obligor's balance sheet as liabilities (other than deferred taxes) and shall also include capitalized leases, guaranties, endorsements (other than for collection in the ordinary course of business) or other arrangements whereby responsibility is assumed for the obligations of others, including any agreement to purchase or otherwise acquire the obligations of others or any agreement, contingent or otherwise, to furnish funds for the purchase of goods, supplies or services for the purpose of payment of the obligations of others.

“*Indemnification Ceiling*” has the meaning set forth in §8(b).

“*Indemnification Deductible*” has the meaning set forth in §8(b).

“*Indemnified Party*” has the meaning set forth in §8(d).

“*Indemnifying Party*” has the meaning set forth in §8(d).

“Intellectual Property” means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof; (b) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, and rights in telephone numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith; (d) all mask works and all applications, registrations, and renewals in connection therewith; (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (f) all computer software (including source code, executable code, data, databases, and related documentation); (g) all material advertising and promotional materials; (h) all other proprietary rights; and (i) all copies and tangible embodiments thereof (in whatever form or medium).

“Key Employee” has the meaning set forth in §4(v).

“Knowledge,” “Know,” “Known” or words of similar meaning shall mean, with respect to Seller, the actual knowledge of Seller after reasonable investigation.

“Labor Laws” has the meaning set forth in §4(w)(iii).

“Law” means any federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, as applicable to the Business or Target. The term *“Law”* includes, without limitation, the following statutes, as amended, and in effect from time to time up to the Closing Date, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground Storage Tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; and any similar state and local laws, and all amendments thereto, or the by-laws, the rules, regulations and interpretations thereunder, all as the same shall be in effect from time to time.

“Lease Consents” has the meaning set forth in §7(a)(x).

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures, or other interest in real property held by Target.

“Leases” means all leases, subleases, licenses, concessions and other agreements (written or oral), including all amendments, extensions, renewals, guaranties, and other agreements with respect thereto, pursuant to which Target holds any Leased Real Property, including the right to all security deposits and other amounts and instruments held by or on behalf of Target thereunder.

“*Lien*” or “*Liens*” means, with respect to any asset, any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien, charge, restriction, adverse claim by a third party, title defect or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof, any assignment or other conveyance of any right to receive income and any assignment of receivables with recourse against assignor), any filing of any financing statement as debtor under the Uniform Commercial Code or comparable law of any jurisdiction and any agreement to give or make any of the foregoing.

“*Material Adverse Effect*” or “*Material Adverse Change*” means any effect or change that would be materially adverse to, or would likely have a material adverse impact or effect on: (a) the business, operations, assets, liabilities, condition or prospects (financial or otherwise) of Target; (b) the ability of the Seller to perform its obligations under any of the Purchase Documents; (c) the validity or enforceability of any of the Purchase Documents; or (d) the rights and remedies of the Buyer under any of the Purchase Documents.

“*Material Leased Real Property*” means any Leased Property that is leased by Target at an annual rent in excess of twelve thousand (\$12,000).

“*Most Recent Balance Sheet*” means the balance sheet contained within the Most Recent Financial Statements.

“*Most Recent Financial Statements*” has the meaning set forth in §4(g).

“*Most Recent Fiscal Month End*” has the meaning set forth in §4(g).

“*Most Recent Fiscal Quarter End*” has the meaning set forth in §4A(b)(iii).

“*Most Recent Fiscal Year End*” has the meaning set forth in §4(g).

“*Multiemployer Plan*” has the meaning set forth in ERISA §3(37).

“*Necessary Permits*” or “*Permits*” mean all licenses, permits, franchises, orders, approvals, accreditations, written waivers and other governmental and other authorizations as are necessary in order to enable Target (prior to Closing) and Buyer (after Closing) to continue to own, operate and conduct the Business as currently conducted and proposed to be conducted and to occupy and use Target’s real and personal properties without incurring any material liability.

“*Nonqualified Plan*” has the meaning set forth in §4(x)(vi).

“*Non-Fundamental Representations and Warranties*” has the meaning set forth in §8(a).

“*Ordinary Course of Business*” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“*Owned Real Property*” means all land, together with all buildings, structures, improvements, and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by Target and its Subsidiaries.

“Party” or “Parties” has the meaning set forth in the preface.

“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, any other business entity, or a governmental entity (or any department, agency, or political subdivision thereof).

“Pre-Closing Tax Period” has the meaning set forth in §9(a).

“Predecessor” means any Person, if any, whose status and activities could give rise to a claim against Buyer or Target as successor in interest to such Person.

“Prohibited Transactions” has the meaning set forth in ERISA §406 and Code §4975.

“Public Reports” has the meaning set forth in §4A(b)(ii).

“Purchase Documents” means this Agreement and any other certificate, document, instrument, stock power, or agreement executed in connection therewith, and any assignment or other agreement related to the Stock or any purchased assets.

“Purchase Price” has the meaning set forth in §2.

“Real Property” means real property and real estate.

“Real Property Laws” has the meaning set forth in §4(l).

“Recourse Limitation” has the meaning set forth in §8(b)(ii)(B).

“Rule 144” has the meaning set forth in §4A(a)(ii).

“Rule 144 Sales” has the meaning set forth in §6(h).

“EDGAR System” means the Electronic Data Gathering, Analysis, and Retrieval system, which performs automated collection, validation, indexing, acceptance, and forwarding of submissions by companies and others who are required by law to file forms with the U.S. Securities and Exchange Commission.

“SEC” means the Securities and Exchange Commission.

“§338(h)(10) Election” has the meaning set forth in §9(f).

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

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Seller” has the meaning set forth in the preface.

“Employment Agreement” has the meaning set forth in §7(a)(xiv).

“Non-Competition Agreement” has the meaning set forth in §6(e).

“*Stock Event*” has the meaning set forth in §2(a).

“*Straddle Period*” has the meaning set forth in §9(b).

“*Subsidiary*” means, with respect to any Person: (a) any corporation, association or other entity of which at least a majority in interest of the outstanding capital stock or other Equity Securities having by the terms thereof voting power under ordinary circumstances to elect a majority of the directors, managers or trustees thereof, irrespective of whether or not at the time capital stock or other equity securities of any other class or classes of such corporation, association or other entity shall have or might have power by reason of the happening of any contingency, is at the time, directly or indirectly, owned or controlled by such Person; or (b) any entity (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has at least majority ownership interest. For purposes of this Agreement, a Subsidiary of Target shall include the direct and indirect Subsidiaries of Target.

“*SWDA*” has the meaning set forth in §4(z)(iv).

“*Systems*” has the meaning set forth in §4(aa).

“*Target*” has the meaning set forth in the preface.

“*Target Share*” or “*Target Shares*” means any share of the common stock, no par value per share of Target.

“*Tax*” or “*Taxes*” means any federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“*Tax Return*” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“*Third-Party Claim*” has the meaning set forth in §8(d).

“*WARN Act*” has the meaning set forth in §4(h).

“*Written*,” “*in writing*” or words of similar meaning shall include any written materials, emails or any other forms of written documentation or communication (including any electronic form).