

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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2021**

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **000-18730**

DarkPulse, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

87-0472109

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

1345 Ave of the Americas, 2nd Floor, New York, NY

(Address of principal executive offices)

10105

(Zip Code)

(800) 436-1436

(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act:

Title of Each Class

Not applicable

Trading Symbol(s)

Not applicable

Name of each exchange on which registered

Not applicable

Indicate by check mark whether the registrant has filed (1) all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☒

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock on November 12, 2021, was 4,976,669,407.

**DARKPULSE, INC.
FORM 10-Q
TABLE OF CONTENTS**

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

PART I—FINANCIAL INFORMATION

<u>Item 1. Financial Statements</u>	3
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	27
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	35
<u>Item 4. Controls and Procedures</u>	35

PART II—OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	36
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	36
<u>Item 6. Exhibits</u>	37
<u>SIGNATURES</u>	38

PART I—FINANCIAL INFORMATION**Item 1. Financial Statements**

DARKPULSE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2021	Audited December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,564,492	\$ 337
Accounts receivable, net	5,812,003	—
Inventory	1,630,051	—
Unbilled revenue	1,103,876	—
Other current assets	137,979	—
TOTAL CURRENT ASSETS	11,248,401	337
NON-CURRENT ASSETS:		
Property and equipment, net	1,837,399	—
Operating lease right-of-use assets	1,476,771	—
Patents, net	355,719	393,990
Goodwill	15,536,899	—
Other assets, net	282,881	91,464
TOTAL NON-CURRENT ASSETS	19,489,673	485,454
TOTAL ASSETS	\$ 30,738,072	\$ 485,791
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 9,549,305	\$ 1,089,869
Convertible notes, net of discount \$111,888 and \$39,414 respectively	1,091,375	931,158
Notes payable	2,000,000	—
Customer deposits	4,802,891	—
Derivative Liability	479,088	1,220,877
Contract liabilities	2,699,688	—
Operating lease liabilities - current	575,446	—
Other current liabilities	2,190,110	—
TOTAL CURRENT LIABILITIES	23,387,903	3,241,904
NON-CURRENT LIABILITIES:		
Secured debenture	1,184,516	1,176,092
Operating lease liabilities - non-current	1,592,880	—
TOTAL NON-CURRENT LIABILITIES	2,777,396	1,176,092
TOTAL LIABILITIES	26,165,299	4,417,996
STOCKHOLDERS' DEFICIT		
Common Stock, Par Value \$0.0001, 20,000,000,000 shares authorized 4,922,968,442 and 4,088,762,156 shares issued and outstanding respectively	492,297	408,876

Treasury Stock, 100,000 shares	(1,000)	(1,000)
Convertible Preferred Stock, Series D, par value \$0.01, 100,000 shares authorized, 88,235 shares issued and outstanding	883	883
Paid in capital in excess of par value	12,327,090	1,805,813
Distributions	(6,400)	—
Non-controlling interest in a variable interest entity and subsidiary	(34,113)	(12,439)
Accumulated other comprehensive income	168,496	315,832
Accumulated deficit	(8,374,480)	(6,450,170)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	4,572,773	(3,932,205)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 30,738,072	\$ 485,791

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

DARKPULSE, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2020	2021	2020
REVENUE	\$ 3,500,970	\$ —	\$ 3,500,970	\$ —
COST OF GOODS SOLD	2,767,239	—	2,767,239	—
GROSS PROFIT	733,731	—	733,731	—
OPERATING EXPENSES:				
Selling, general and administrative	406,940	34,782	531,793	120,866
Salaries, wages and payroll taxes	1,007,453	—	1,007,453	187
Professional fees	1,680,600	—	1,901,572	48,297
Depreciation and amortization	91,222	12,757	116,736	38,271
Debt transaction expenses	33,000	—	184,950	—
TOTAL OPERATING EXPENSES	3,219,215	47,539	3,742,504	207,621
NET OPERATING LOSS	(2,485,484)	(47,539)	(3,008,773)	(207,621)
OTHER INCOME (EXPENSE):				
Interest expense	(320,706)	(37,318)	(671,290)	(97,842)
Gain on settlement of debt	785,240	—	785,240	1,000
Change in fair market of derivative liabilities	(251,133)	(87,852)	76,363	(44,684)
Gain/Loss on convertible notes	432,893	(1,313)	741,789	(39,414)
Foreign currency exchange rate variance	152,361	—	152,360	—
TOTAL OTHER INCOME (EXPENSE)	798,655	(126,483)	1,084,462	(180,940)
NET LOSS	(1,686,829)	(174,022)	(1,924,311)	(388,561)
Net Loss attributable to noncontrolling interests in variable interest entity and subsidiary	15,838	—	15,838	—
Net loss attributable to Company stockholders	<u>\$ (1,670,991)</u>	<u>\$ (174,022)</u>	<u>\$ (1,908,473)</u>	<u>\$ (388,561)</u>
LOSS PER SHARE:				
Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic and Diluted	<u>4,835,935,495</u>	<u>2,355,108,904</u>	<u>4,679,197,410</u>	<u>1,754,933,152</u>

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

DARKPULSE, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

**FOR THE THREE MONTHS
ENDED SEPTEMBER 30,**

**FOR THE NINE MONTHS
ENDED SEPTEMBER 30,**

	2021	2020	2021	2020
NET LOSS	\$ (1,670,991)	\$ (174,022)	\$ (1,908,473)	\$ (388,561)
OTHER COMPREHENSIVE GAIN (LOSS)				
Unrealized Gain (Loss) on Foreign Exchange	26,539	(39,945)	(7,524)	13,656
COMPREHENSIVE LOSS	<u>\$ (1,644,452)</u>	<u>\$ (213,967)</u>	<u>\$ (1,915,997)</u>	<u>\$ (374,905)</u>

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

DARKPULSE, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

	Preferred Stock		Common Stock		Treasury Stock	Paid in Capital in Excess of Par Value
	Shares	Amount	Shares	Amount		
Balance, December 31, 2020	88,235	\$ 883	4,088,762,156	\$ 408,876	\$ (1,000)	\$ 1,805,813
Conversion of convertible notes	—	—	600,999,995	60,100	—	189,839
Foreign currency adjustment	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Balance, March 31, 2021	88,235	\$ 883	4,689,762,151	\$ 468,976	\$ (1,000)	\$ 1,995,652
Conversion of convertible notes	—	—	20,565,040	2,057	—	124,863
Stock based loan acquisition cost	—	—	60,000,000	6,000	—	243,333
Foreign currency adjustment	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Balance, June 30, 2021	88,235	\$ 883	4,770,327,191	\$ 477,033	\$ (1,000)	\$ 2,363,848
Conversion of convertible notes	—	—	49,719,643	4,972	—	183,679
Issuance of common stock for public offering	—	—	84,727,527	8,473	—	7,991,527
Issuance of common stock for Wildlife Specialist acquisition	—	—	7,500,000	750	—	654,380
Issuance of common stock for Remote Intelligence acquisition	—	—	7,500,000	750	—	733,975
Share-based compensation	—	—	3,194,081	319	—	399,681
Distributions	—	—	—	—	—	—
Foreign currency adjustment - NCI	—	—	—	—	—	—
Foreign currency adjustment	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Balance, September 30, 2021	88,235	\$ 883	4,922,968,442	\$ 492,297	\$ (1,000)	\$ 12,327,090
Balance, December 31, 2019	88,235	\$ 883	1,392,042,112	\$ 13,920,421	\$ (1,000)	\$ (11,877,864)
Conversion of convertible notes	—	—	—	—	—	—
Foreign currency adjustment	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Balance, March 31, 2020	88,235	\$ 883	1,392,042,112	\$ 13,920,421	\$ (1,000)	\$ (11,877,864)
Conversion of convertible notes	—	—	217,142,858	2,171,429	—	(2,156,228)
Foreign currency adjustment	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Balance, June 30, 2020	88,235	\$ 883	1,609,184,970	\$ 16,091,850	\$ (1,000)	\$ (14,034,092)
Conversion of convertible notes	—	—	1,785,632,186	17,856,322	—	(17,739,248)
Foreign currency adjustment	—	—	—	—	—	—
Net loss	—	—	—	—	—	—
Balance, September 30, 2020	88,235	\$ 883	3,394,817,156	\$ 33,948,172	\$ (1,000)	\$ (31,773,340)

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

DARKPULSE, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND 2020 (continued)

	Distributions	Non-Controlling Interest in Subsidiary	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Deficit
Balance, December 31, 2020	\$ —	\$ (12,439)	\$ 315,832	\$ (6,450,170)	\$ (3,932,205)
Conversion of convertible notes	—	—	—	—	249,939
Foreign currency adjustment	—	—	(17,909)	—	(17,909)
Net loss	—	—	—	(51,874)	(51,874)
Balance, March 31, 2021	\$ —	\$ (12,439)	\$ 297,923	\$ (6,502,044)	\$ (3,752,049)
Conversion of convertible notes	—	—	—	—	126,920
Stock based loan acquisition cost	—	—	—	—	249,333
Foreign currency adjustment	—	—	(16,154)	—	(16,154)
Net loss	—	—	—	(185,607)	(185,607)
Balance, June 30, 2021	\$ —	\$ (12,439)	\$ 281,769	\$ (6,687,651)	\$ (3,577,557)
Conversion of convertible notes	—	—	—	—	188,651
Issuance of common stock for public offering	—	—	—	—	8,000,000
Issuance of common stock for Wildlife Specialist acquisition	—	—	—	—	655,130
Issuance of common stock for Remote Intelligence acquisition	—	—	—	—	734,725
Share-based compensation	—	—	—	—	400,000
Distributions	(6,400)	—	—	—	(6,400)
Foreign currency adjustment - NCI	—	(21,674)	—	—	(21,674)
Foreign currency adjustment	—	—	(113,273)	—	(113,273)
Net loss	—	—	—	(1,686,829)	(1,686,829)
Balance, September 30, 2021	\$ (6,400)	\$ (34,113)	\$ 168,496	\$ (8,374,480)	\$ 4,572,773
Balance, December 31, 2019	\$ (12,439)	\$ (12,439)	\$ 336,775	\$ (6,174,328)	\$ (3,807,552)
Conversion of convertible notes	—	—	—	—	—
Foreign currency adjustment	—	—	92,646	—	92,646
Net loss	—	—	—	(74,298)	(74,298)
Balance, March 31, 2020	\$ (12,439)	\$ (12,439)	\$ 429,421	\$ (6,248,626)	\$ (3,789,204)
Conversion of convertible notes	—	—	—	—	15,201
Foreign currency adjustment	—	—	(39,047)	—	(39,047)
Net loss	—	—	—	(140,240)	(140,240)
Balance, June 30, 2020	\$ (12,439)	\$ (12,439)	\$ 390,374	\$ (6,388,866)	\$ (3,953,290)
Conversion of convertible notes	—	—	—	—	117,074
Foreign currency adjustment	—	—	(39,945)	—	(39,945)
Net loss	—	—	—	(174,022)	(174,022)
Balance, September 30, 2020	\$ (12,439)	\$ (12,439)	\$ 350,429	\$ (6,562,889)	\$ (4,050,184)

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

DARKPULSE, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

**FOR THE NINE MONTHS
ENDED SEPTEMBER 30,**

2021 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$ (1,924,311)	\$ (388,561)
Adjustments to reconcile net loss to net cash used by operating activities:		
Gain on extinguishment of debt	(785,240)	—
Stock based compensation	649,334	—
Operating lease expense	(90,946)	—
Loan acquisition costs	(480,450)	(9,900)
Derivative liability	(741,789)	44,684
Amortization of debt discount	404,087	39,414
Depreciation and amortization	116,736	38,271
Changes in operating assets and liabilities:		
Accounts receivable	(893,366)	—
Inventory	410,836	—
Unbilled Revenue	(563,555)	—
Customer Deposits	1,634,397	—
Contract liability	(1,439,504)	—
Accounts payable and accrued expenses	(4,362,016)	280,370
Operating lease liabilities	1,398,068	—
Other current liabilities	(778,874)	—
Net Cash Used by Operating Activities	(7,446,593)	4,278

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(78,662)	—
Business acquisitions, net of cash received	(152,683)	—
Deposits	(124,000)	—

Investment in patents	(191,420)	(4,969)
Net Cash Used by Investing Activities	(546,765)	(4,969)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock from offering	8,000,000	—
Proceeds from convertible notes payable	1,102,700	—
Payments on convertible notes	(384,600)	—
Proceeds from notes payable	2,000,000	—
Net Cash Provided by Financing Activities	10,718,100	—
Net Cash Increase (Decrease)	2,724,742	(691)
Effect of exchange rate on cash	(160,587)	—
Cash, Beginning of Period	337	1,210
Cash, End of Period	<u>\$ 2,564,492</u>	<u>\$ 519</u>
Supplementary Cash Flow Information:		
Interest paid in cash	<u>\$ —</u>	<u>\$ —</u>
Taxes paid in cash	<u>\$ —</u>	<u>\$ —</u>
Non-cash finance and investing activities for the quarter ending September 30:		
Issuance of common stock for convertible notes payable and accrued interest	181,560	—
Issuance of common stock for Wildlife Specialists	750	—
Issuance of common stock for Remote Intelligence	750	—

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

DARKPULSE, INC.
Notes to Condensed Financial Statements
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. The consolidated financial statements as of December 31, 2020 have been audited by an independent registered public accounting firm. The accounting policies and procedures employed in the preparation of these condensed consolidated financial statements have been derived from the audited financial statements of the Company for the year ended December 31, 2020, which are contained in Form 10-K as filed with the Securities and Exchange Commission on April 15, 2021. The consolidated balance sheet as of December 31, 2020 was derived from those financial statements.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles of the United States of America ("U.S. GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission for Interim Financial Information. The condensed consolidated financial statements of the Company include the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated. All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of September 30, 2021, and the results of operations for three and nine months and cash flows for the nine months ended September 30, 2021 have been included. The results of operations for the three and nine months ended September 30, 2021 are not necessarily indicative of the results to be expected for the full year.

Description of Business

DarkPulse, Inc. ("DPI" or "Company") is a technology-security company incorporated in 1989 as Klever Marketing, Inc. ("Klever"). Its' wholly-owned subsidiary, DarkPulse Technologies Inc. ("DPTI"), originally started as a technology spinout from the University of New Brunswick, Fredericton, Canada. The Company's security and monitoring systems will initially be delivered in applications for border security, pipelines, the oil and gas industry and mine safety. Current uses of fiber optic distributed sensor technology have been limited to quasi-static, long-term structural health monitoring due to the time required to obtain the data and its poor precision. The Company's patented BOTDA dark-pulse sensor technology allows for the monitoring of highly dynamic environments due to its greater resolution and accuracy.

On April 27, 2018, Klever entered into an Agreement and Plan of Merger (the "Merger Agreement" or the "Merger") involving Klever as the surviving parent corporation and acquiring a privately held New Brunswick corporation known as DarkPulse Technologies Inc. as its wholly owned subsidiary. On July 18, 2018, the parties closed the Merger Agreement, as amended on July 7, 2018, and the name of the Company was subsequently changed to DarkPulse, Inc. With the change of control of the Company, the Merger is being accounted for as a recapitalization in a manner similar to a reverse acquisition.

On July 20, 2018, the Company filed a Certificate of Amendment to its Certificate of Incorporation with the State of Delaware, changing the name of the Company to DarkPulse, Inc. The Company filed a corporate action notification with the Financial Industry Regulatory Authority (FINRA), and the Company's ticker symbol was changed to DPLS.

The Company has recently completed several acquisitions. See Note 2 – Business Acquisitions for more information.

Going Concern Uncertainty

As shown in the accompanying financial statements, during the nine months ended September 30, 2021, the Company reported a net loss of \$1,924,311. As of September 30, 2021, the Company's current liabilities exceeded its current assets by \$12,139,502. As of September 30, 2021, the Company had \$2,564,492 of cash.

The Company will require additional funding to finance the growth of our operations and achieve our strategic objectives. These factors, as relative to capital raising activities, create doubt as to our ability to continue as a going concern. We are seeking to raise additional capital and are targeting strategic partners in an effort to accelerate the sales and marketing of our products and begin generating revenues. Our ability to continue as a going concern is dependent upon the success of future capital offerings or alternative financing arrangements, expansion of our operations and generating sales. The accompanying financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. Management is actively pursuing additional sources of financing sufficient to generate enough cash flow to fund its operations however, management cannot make any assurances that such financing will be secured.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities, preferred deemed dividend and common stock issued for services.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond the point of origin. On March 20, 2020 the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of these condensed consolidated financial statements. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's combined financial condition, liquidity and future results of operations. Management is actively monitoring the impact of the global situation on its consolidated financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021 beyond the results presented in these condensed consolidated financial statements and this quarterly report.

Due to the impacts of COVID-19 we have seen an increase in recruiting and labor costs as well as delays in supply chain.

Revenue Recognition

The Company's revenues are generated primarily from the sale of our products, which consist primarily of advanced technology solutions for integrated communications and security systems. At contract inception, we assess the goods and services promised in the contract with customers and identify a performance obligation for each. To determine the performance obligation, we consider all products and services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices. The timing of satisfaction of the performance obligation is not subject to significant judgment. We measure revenue as the amount of consideration expected to be received in exchange for transferring goods and services. We generally recognize product revenues at the time of shipment, provided that all other revenue recognition criteria have been met.

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation. The five-step model is applied to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services transferred to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. We then recognize revenue in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In accordance with ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedient*, which is to (1) clarify the objective of the collectability criterion for applying paragraph 606-10-25-7; (2) permit an entity to exclude amounts collected from customers for all sales (and other similar) taxes from the transaction price; (3) specify that the measurement date for noncash consideration is contract inception; (4) provide a practical expedient that permits an entity to reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations; (5) clarify that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy GAAP before the date of initial application, and (6) clarify that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. The amendments of this ASU are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. There was no impact as a result of adopting this ASU on the financial statements and related disclosures. Based on the terms and conditions of the product arrangements, the Company believes that its products and services can be accounted for separately as its products and services have value to the Company's customers on a stand-alone basis. When a transaction involves more than one product or service, revenue is allocated to each deliverable based on its relative fair value; otherwise, revenue is recognized as products are delivered or as services are provided over the term of the customer contract.

Contract liabilities is shown separately in the unaudited consolidated balance sheets as current liabilities. At September 30, 2021 and December 31, 2020, we had contract liabilities of \$2,699,688 and \$0, respectively.

Cost of Product Sales and Services

Cost of sales consists primarily of materials, airtime and overhead costs incurred internally and amounts incurred to contract manufacturers to produce our products, airtime and other implementation costs incurred to install our products and train customer personnel, and customer service and third-party original equipment manufacturer costs to provide continuing support to our customers. There are certain costs which are deferred and recorded as prepaids, until such revenue is recognized. Refer to revenue recognition above as

to what constitutes deferred revenue.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with high credit quality financial institutions. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Intangible Assets

The Company reviews intangibles held and used for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In evaluating the fair value and future benefits of its intangible assets, management performs an analysis of the anticipated undiscounted future net cash flow of the individual assets over the remaining amortization period. The Company recognizes an impairment loss if the carrying value of the asset exceeds the expected future cash flows.

Goodwill and other intangible assets

In accordance with ASC 350-30-65, "Intangibles - Goodwill and Others", the Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors the Company considers to be important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Foreign Currency Translation

The Company's reporting currency is U.S. Dollars. The accounts of one of the Company's subsidiaries, Optilan, is maintained using the appropriate local currency, Great British Pound, as the functional currency. All assets and liabilities are translated into U.S. Dollars at balance sheet date, shareholders' equity is translated at historical rates and revenue and expense accounts are translated at the average exchange rate for the year or the reporting period. The translation adjustments are reported as a separate component of stockholders' equity, captioned as accumulated other comprehensive (loss) gain. Transaction gains and losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of operations.

The relevant translation rates are as follows: for the three and nine months ended September 30, 2021, closing rate at 1.3468 US\$: GBP, quarterly average rate at 1.3787 US\$: GBP.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, Accounting for Income Taxes, as clarified by ASC 740-10, Accounting for Uncertainty in Income Taxes. Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which the Company operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or the ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the "more likely than not" criteria of ASC 740.

ASC 740-10 requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the "more-likely-than-not" threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Leases

Effective January 1, 2019, the Company accounts for its leases under ASC 842, *Leases*. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases, and are recorded on the consolidated balance sheet as both a right of use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right of use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right of use asset result in straight-line rent expense over the lease term. For finance leases, interest on the lease liability and the amortization of the right of use asset results in front-loaded expense over the lease term. Variable lease expenses are recorded when incurred.

In calculating the right of use asset and lease liability, the Company has elected to combine lease and non-lease components. The Company excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election, and recognizes rent expense on a straight-line basis over the lease term.

Accounting for Derivatives

The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative

financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses a probability weighted average series Binomial lattice formula pricing models to value the derivative instruments at inception and on subsequent valuation dates.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses, and accruals approximate their fair values because of the short maturity of these instruments. The Company believes the carrying value of its secured debenture payable approximates fair value because the terms were negotiated at arm's length.

Recent Accounting Pronouncements

There were no new accounting pronouncements issued or proposed by the Financial Accounting Standards Board during the three months ended September 30, 2021, and through the date of filing of this report that the Company believes has had or will have a material impact on its financial position or results of operations, including the recognition of revenue, cash flow, the merger that was consummated on July 18, 2018. The Company has no lease obligations.

Income (Loss) Per Common Share

Basic net income (loss) per share of common stock is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share of common stock is computed by dividing net income (loss) by the sum of the weighted average number of common shares outstanding and the dilutive potential common share equivalents outstanding. Potential dilutive common share equivalents consist of shares issuable upon exercise of outstanding convertible preferred stock and stock options.

For the three and nine months ended September 30, 2021, there were no stock options outstanding. For the three and nine months ended September 30, 2021, common stock equivalents related to convertible preferred stock and convertible debt have not been included in the calculation of diluted loss per common share because they are anti-dilutive. Therefore, basic loss per common share is the same as diluted loss per common share. There are 1,970,029,676 common shares reserved for the potential conversion of the Company's convertible debt.

NOTE2 – BUSINESS ACQUISITIONS

Optilan Holdco 3 Limited

On August 9, 2021, the Company entered into a Share Purchase Agreement with Optilan Guernsey Limited and Optilan Holdco 2 Limited (the "Sellers"), pursuant to which the Company purchased from the Sellers all of the issued and outstanding equity interests of Optilan HoldCo 3 Limited, a private company incorporated in England and Wales ("Optilan") for £1.00 and also a commitment to enter into the Subscription (as defined below). As of August 9, 2021, the Company owns all of the equity interests of Optilan.

The Company has accounted for the purchase using the acquisition method of accounting for business combinations under ASC 805. Accordingly, the purchase price has been allocated to the underlying assets and liabilities in proportion to their respective fair values. The excess of the consideration transferred over the estimated fair values of the net assets acquired was recorded as goodwill. The following table summarizes the acquired assets and assumed liabilities and the preliminary acquisition accounting for the fair value of the assets and liabilities recognized in the Condensed Consolidated Balance Sheet at September 30, 2021:

	Fair Value
Cash	\$ 736,177
Accounts receivable	4,619,381
Inventory	2,040,887
Unbilled revenue	540,321
Property & equipment	1,393,274
Right of use	1,385,825
Goodwill	12,181,350
Total assets	22,891,215
Accounts payable	11,622,018
Contract deposits	3,168,493
Contract liabilities, current	4,139,193
Lease liabilities, current	141,730
Other current liabilities	2,496,725
Lease liabilities, noncurrent	628,529
Total purchase consideration	\$ 694,527

This purchase price allocation is preliminary and is pending the finalization of the third-party valuation analysis and working capital, as the Company has not yet completed the detailed valuation analyses as of the filing date of this Form 10-Q.

Wildlife Specialists, LLC and Remote Intelligence, LLC

On August 30, 2021, we closed two separate Membership Interest Purchase Agreements (the "MPAs") with Remote Intelligence, Limited Liability Company, a Pennsylvania limited liability company ("RI") and Wildlife Specialists, LLC, a Pennsylvania limited liability company ("WS") pursuant to which we agreed to pay to the majority shareholder of each of

RI and WS an aggregate of 15,000,000 shares of our Common Stock, \$500,000 to be paid on the closing date, and an additional \$500,000 to be paid 12 weeks from closing date in exchange for 60% ownership of each of RI and WS. RI and WS are now subsidiaries of the Company.

The Company has accounted for the purchase using the acquisition method of accounting for business combinations under ASC 805. Accordingly, the purchase price has been allocated to the underlying assets and liabilities in proportion to their respective fair values. The excess of the consideration transferred over the estimated fair values of the net assets acquired was recorded as goodwill. The following table summarizes the acquired assets and assumed liabilities and the preliminary acquisition accounting for the fair value of the assets and liabilities recognized in the Condensed Consolidated Balance Sheet at September 30, 2021:

WILDLIFE SPECIALISTS		Fair Value
Cash	\$	33,910
Accounts receivable		161,866
Other current assets		600
Property & equipment		99,490
Goodwill		1,191,085
Total assets		1,486,951
Accounts payable		151,888
Other current liabilities		241,763
Total purchase consideration	\$	1,478,000

REMOTE INTELLIGENCE		Fair Value
Cash	\$	6,158
Accounts receivable		24,036
Property & equipment		111,636
Goodwill		1,729,800
Total assets		1,871,630
Accounts payable		141,859
Other long term liabilities		251,771
Total purchase consideration	\$	1,478,000

These purchase price allocations are preliminary and are pending the finalization of the third-party valuation analysis and working capital, as the Company has not yet completed the detailed valuation analyses as of the filing date of this Form 10-Q.

TJM Electronics West, Inc.

On September 8, 2021, we entered into and closed the Stock Purchase Agreement (the "**TJMSPA**") with TJM Electronics West, Inc., an Arizona corporation ("**TJM**"), and TJM's shareholders, pursuant to which we agreed to purchase all of the equity interests in TJM in exchange for \$450,000, subject to adjustments as defined in the TJM SPA. TJM is now a wholly-owned subsidiary of the Company.

The Company has accounted for the purchase using the acquisition method of accounting for business combinations under ASC 805. Accordingly, the purchase price has been allocated to the underlying assets and liabilities in proportion to their respective fair values. The excess of the consideration transferred over the estimated fair values of the net assets acquired was recorded as goodwill. The following table summarizes the acquired assets and assumed liabilities and the preliminary acquisition accounting for the fair value of the assets and liabilities recognized in the Condensed Consolidated Balance Sheet at September 30, 2021:

	Fair Value
Accounts receivable	\$ 3,400
Property & equipment	91,051
Goodwill	355,549
Total assets	450,000
Total purchase consideration	\$ 450,000

This purchase price allocation is preliminary and is pending the finalization of the third-party valuation analysis and working capital, as the Company has not yet completed the detailed valuation analyses as of the filing date of this Form 10-Q.

NOTE 3 – REVENUE

The following table is a summary of the Company's timing of revenue recognition for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Timing of revenue recognition:				
Services and products transferred at a point in time	\$ 3,500,970	\$ –	\$ 3,500,970	\$ –
Services and products transferred over time	138	–	328	–
Total revenue	\$ 3,500,970	\$ –	\$ 3,500,970	\$ –

The Company disaggregates revenue by source and geographic destination to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenue by source consisted of the following for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue by products and services:				

Products	\$	1,533,377	\$	–	\$	1,533,377	\$	–
Services		1,967,593		–		1,967,593		–
Total revenue	\$	<u>3,500,970</u>	\$	<u>–</u>	\$	<u>3,500,970</u>	\$	<u>–</u>

16

Revenue by geographic destination consisted of the following for the for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue by geography:				
North America	\$	120,336	\$	120,336
International		3,380,634		3,380,634
Total revenue	\$	<u>3,500,970</u>	\$	<u>3,500,970</u>

Contract Balances

The Company records contract assets when it has a right to consideration and records accounts receivable when it has an unconditional right to consideration. Contract liabilities consist of cash payments received (or unconditional rights to receive cash) in advance of fulfilling performance obligations. As of September 30, 2021, the Company did not have a contract assets balance.

The following table is a summary of the Company's opening and closing balances of contract liabilities related to contracts with customers.

	Total
Balance at December 31, 2020	\$ –
Additions through advance billings to or payments from vendors	–
Additions through business acquisition	4,139,193
Revenue recognized from current period advance billings to or payments from vendors	–
Revenue recognized from amounts acquired through business acquisition	1,439,505
Balance at September 30, 2021	<u>\$ 2,699,688</u>

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Accounts receivable	\$ 5,812,003	\$ –
Less: Allowance for doubtful accounts	–	–
Total accounts receivable	<u>\$ 5,812,003</u>	<u>\$ –</u>

17

NOTE 5 – INVENTORY

Inventory consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Raw materials	\$ 209,478	\$ –
Work in progress	1,401,521	–
Finished goods	19,052	–
Total inventory	1,630,051	–
Reserve	–	–
Total inventory, net	<u>\$ 1,630,051</u>	<u>\$ –</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Property and equipment	\$ 1,775,332	\$ –
Leasehold improvements	63,180	–
	1,838,512	–
Less - accumulated depreciation	(1,113)	–
	<u>\$ 1,837,399</u>	<u>\$ –</u>

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Accounts payable	\$ 8,946,714	\$ 519,899
Accrued liabilities	602,591	569,970
Total accounts payable and accrued expenses	<u>\$ 9,549,305</u>	<u>\$ 1,089,869</u>

18

NOTE 8 – LEASES

We adopted ASC 842 "Leases" using the modified retrospective approach, electing the practical expedient that allows us not to restate our comparative periods prior to the adoption of the standard on January 1, 2019. As such, the disclosures required under ASC 842 are not presented for periods before the date of adoption.

The following was included in our balance sheet as of September 30, 2021:

Operating leases	September 30, 2021
<i>Assets</i>	
ROU operating lease assets	\$ 1,476,771
<i>Liabilities</i>	
Current portion of operating lease	\$ 575,446
Operating lease, net of current portion	\$ 1,592,880
Total operating lease liabilities	<u>\$ 2,168,326</u>

The weighted average remaining lease term and weighted average discount rate at September 30, 2021 were as follows:

Weighted average remaining lease term (years)	September 30, 2021
Operating leases	6.61
Weighted average discount rate	
Operating leases	6.00%

Operating Leases

On January 12, 2021, the Company's new acquired subsidiary entered into an operating lease agreement to rent office space in Mumbai, India. This three-year agreement commenced January 12, 2021 with an annual rent of approximately \$50,000.

On May 27, 2021, the Company's new acquired subsidiary entered into an operating lease agreement to rent office space in Mumbai, United Kingdom. This ten-year agreement commenced May 27, 2021 with an annual rent of approximately \$85,000 with the first six months rent free.

19

The following table reconciles future minimum operating lease payments to the discounted lease liability as of September 30, 2021:

2021	82,394
2022	330,171
2023	324,910
2024	279,112
2025 and later	842,673
Total lease payments	<u>1,859,260</u>
Less imputed interest	<u>(391,127)</u>
Total lease obligations	1,468,133
Less current obligations	<u>(330,171)</u>
Long-term lease obligations	<u>\$ 1,137,962</u>

NOTE 9 – GOODWILL AND OTHER INTANGIBLE ASSETS**Goodwill**

The following table sets forth the changes in the carrying amount of goodwill for the nine months ended September 30, 2021:

	Total
Balance at December 31, 2020	\$ —

2021 Acquisitions	15,536,899
Balance at September 30, 2021	<u>\$ 15,536,899</u>

Intangible Assets - Intrusion Detection Intellectual Property

The Company relies on patent laws and restrictions on disclosure to protect its intellectual property rights. As of September 30, 2021, the Company held 3 U.S. and foreign patents on its intrusion detection technology, which expire in calendar years 2025 through 2034 (depending on the payment of maintenance fees).

The DPTI issued patents cover a System and Method for Brillouin Analysis, a System and Method for Resolution Enhancement of a Distributed Sensor, and a Flexible Fiber Optic Deformation System Sensor and Method. Maintenance of intellectual property rights and the protection thereof is important to our business. Any patents that may be issued may not sufficiently protect the Company's intellectual property and third parties may challenge any issued patents. Other parties may independently develop similar or competing technology or design around any patents that may be issued to the Company. The Company cannot be certain that the steps it has taken will prevent the misappropriation of its intellectual property, particularly in foreign countries where the laws may not protect proprietary rights as fully as in the United States. Further, the Company may be required to enforce its intellectual property or other proprietary rights through litigation, which, regardless of success, could result in substantial costs and diversion of management's attention. Additionally, there may be existing patents of which the Company is unaware that could be pertinent to its business, and it is not possible to know whether there are patent applications pending that the Company's products might infringe upon, since these applications are often not publicly available until a patent is issued or published.

For the three months ended September 30, 2021 and 2020, the Company amortized \$12,757 and \$12,757, respectively. Future amortization of intangible assets is as follows:

2021	\$ 12,757
2022	51,028
2023	51,028
2024	51,028
2025	51,028
Thereafter	138,850
Total	<u>\$ 355,719</u>

NOTE 10 – DEBT AGREEMENTS

Secured Debenture

DPTI issued a convertible Debenture to the University in exchange for the Patents assigned to the Company, in the amount of Canadian \$1,500,000, or US \$1,491,923 on December 16, 2010, the date of the Debenture. On April 24, 2017 DPTI issued a replacement secured term Debenture in the same C\$1,500,000 amount as the original Debenture. The interest rate is the Bank of Canada Prime overnight rate plus 1% per annum. The Debenture had an initial required payment of Canadian \$42,000 (US\$33,385) due on April 24, 2018 for reimbursement to the University of its research and development costs, and this has been paid. Interest-only maintenance payments are due annually starting after April 24, 2018. Payment of the principal begins on the earlier of (a) three years following two consecutive quarters of positive earnings before interest, taxes, depreciation and amortization, (b) six years from April 24, 2017, or (c) in the event DPTI fails to raise defined capital amounts or secure defined contract amounts by April 24 in the years 2018, 2019, and 2020. The Company has raised funds in excess of the amount required by April 24, 2018. The principal repayment amounts will be due quarterly over a six-year period in the amount of Canadian Dollars \$62,500. Based on the exchange rate between the Canadian Dollar and the U.S. Dollar on September 30, 2021, the quarterly principal repayment amounts will be US\$49,750. The Debenture is secured by the Patents assigned by the University to DPTI by an Assignment Agreement on December 16, 2010. DPTI has pledged the Patents, and granted a lien on them pursuant to an Escrow Agreement dated April 24, 2017, between DPTI and the University.

The Debenture was initially recorded at the \$1,491,923 equivalent US Dollar amount of Canadian \$1,500,000 as of December 16, 2010, the date of the original Debenture. The liability is being adjusted quarterly based on the current exchange value of the Canadian dollar to the US dollar at the end of each quarter. The adjustment is recorded as unrealized gain or loss in the change of the value of the two currencies during the quarter. The amounts recorded as an unrealized loss for the three months ended September 30, 2021 and 2020, were \$16,155 and \$39,047 respectively. These amounts are included in Accumulated Other Comprehensive Loss in the Equity section of the consolidated balance sheet, and as Unrealized Loss on Foreign Exchange on the consolidated statement of comprehensive loss. The Debenture also includes a provision requiring DPTI to pay the University a two percent (2%) royalty on sales of any and all products or services which incorporate the Patents for a period of five years from April 24, 2018.

For the three months ended September 30, 2021, and 2020, the Company recorded interest expense of \$13,168 and \$12,255, respectively.

As of September 30, 2021 the debenture liability totaled \$1,184,516, all of which was long term.

Future minimum required payments over the next 5 years and thereafter are as follows:

Period ending September 30,	
2022	\$ –
2023	–
2024	–
2025	–
2026 and after	1,184,516
Total	<u>\$ 1,184,516</u>

Convertible Debt Securities

The Company uses the Black-Scholes Model to calculate the derivative value of its convertible debt. The valuation result generated by this pricing model is necessarily driven by the value of the underlying common stock incorporated into the model. The values of the common stock used were based on the price at the date of issue of the debt security as of September 30, 2021. Management determined the expected volatility of 359.78%, a risk-free rate of interest of 0.09%, and contractual lives of the debt varying from six months to two years. The table below details the Company's nine outstanding convertible notes, with totals for the face amount, amortization of discount, initial loss, change in the fair market value, and the derivative liability.

	Face Amount	Debt Discount	Initial Loss	Change in FMV	Derivative Balance 9/30/2021
	\$ 90,228	\$ —	\$ 58,959	\$ 30,042	\$ 108,530
	162,150	—	74,429	42,819	195,041
	72,488	—	11,381	(25,482)	87,192
	53,397	—	5,651	13,592	94,615
	53,864	—	28,566	(69,333)	—
	18,613	—	16,558	(13,512)	—
	40,000	—	10,605	(51,397)	—
	42,350	—	7,350	54,120	—
	94,200	—	19,200	(105,683)	—
	76,200	—	16,200	(86,548)	—
	64,200	—	14,200	(74,788)	—
	825,000	733,387	203,500	—	—
Subtotal	1,584,574	733,387	466,599	(517,087)	479,088
Transaction expense	—	—	—	—	—
	\$ 1,584,574	\$ 733,387	\$ 466,599	\$ (517,087)	\$ 479,088

On July 14, 2021, the Company entered a Securities Purchase Agreement (the "**GS SPA**") with GS Capital Partners, LLC (the "Lender"), pursuant to which the Company issued to the Lender a 6% Redeemable Note in the principal amount of \$2,000,000 (the "Note"). The purchase price of the Note is \$1,980,000. The Note matures on July 14, 2022 upon which time all accrued and unpaid interest will be due and payable. Interest accrues on the Note at 6% per annum until the Note becomes due and payable. The Note is subject to various "Events of Default," which are disclosed in the Note. Upon the occurrence of an "Event of Default," the interest rate on the Note will be 18%. The Note is not convertible into shares of the Company's Common Stock and is not dilutive to existing or future shareholders and the Company plans on using a portion of the proceeds of the Note to retire existing convertible debt.

As of September 30, 2021 and 2020 respectively, there was 1,584,574 and \$1,072,663 of convertible debt outstanding, net of debt discount of \$965,921, and \$1,313. As of September 30, 2021 and 2020 respectively, there was derivative liability of \$893,381 and \$1,232,344 related to convertible debt securities.

NOTE 11 - STOCKHOLDERS' DEFICIT

As of September 30, 2021, there were 4,922,968,442 shares of common stock and 88,235 shares of preferred stock issued and outstanding.

Preferred Stock

In accordance with the Company's Certificate of Incorporation, the Company has authorized a total of 2,000,000 shares of preferred stock, par value \$0.01 per share, for all classes. As of September 30, 2021, and December 31, 2020, there were 88,235 total preferred shares issued and outstanding for all classes.

During the three months ended September 30, 2021, the Company issued no shares of preferred stock.

Common Stock

In accordance with the Company's bylaws, the Company has authorized a total of 20,000,000,000 shares of common stock, par value \$0.0001 per share. As of September 30, 2021 and December 31, 2020, there were 4,922,968,442 and 4,088,762,156 common shares issued and outstanding.

During the three months ended September 30, 2021, the Company issued the following shares of common stock:

On July 12, 2021, the Company issued an aggregate of 1,784,146 shares of common stock upon the conversion of convertible debt, as issued on January 12, 2021, in the amount of \$42,350.

On July 14, 2021, the Company issued an aggregate of 45,037,115 shares of common stock upon the conversion of convertible debt, as issued on October 7, 2020, in the amount of \$93,864 and interest of \$26,246.

On July 19, 2021, the Company issued an aggregate of 2,898,382 shares of common stock upon the conversion of convertible debt, as issued on October 7, 2020, in the amount of \$10,497 and interest of \$6,748.

Stock Options

During the three months ended September 30, 2021, the Company did not issue any stock options and had no stock options outstanding at September 30, 2021.

Public Offerings

On August 19, 2021, we entered into the Purchase Agreement with GHS, for the offering of up to \$45,000,000 worth of Common Stock. Pursuant to the Purchase Agreement, on August 19, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from the Company, 31,799,260 shares of Common Stock for total proceeds to the Company, net of discounts, of \$3,300,000, at an effective price of \$0.1038 per share (the "**First Closing**"). We received approximately \$2,790,000 in net proceeds from the First Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the First Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021. On September 30, 2021, the Company paid a \$275,000 placement fee to J.H. Darbie & Co, \$125,000 cash and \$150,000 with 1,073,730 shares of common stock.

Pursuant to the Purchase Agreement, on August 31, 2021, we and GHS agreed that the Company would issue and sell to GHS, and GHS would purchase from us, 27,297,995 shares of Common Stock for total proceeds to us, net of discounts, of \$3,300,000, at an effective price of \$0.120888 per share (the "**Second Closing**"). We received approximately \$2,885,000 in net proceeds from the Second Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Second Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021. On September 30, 2021, the Company paid a \$262,000 placement fee to J.H. Darbie & CO, \$112,000 cash and \$150,000 with 1,185,771 shares of common stock.

Pursuant to the Purchase Agreement, on September 22, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from us, 25,630,272 shares of Common Stock for total proceeds to us, net of discounts, of \$2,000,000, at an effective price of \$0.085836 per share (the "**Third Closing**"). We received approximately \$1,915,000 in net proceeds from the Third Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Third Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021. On September 30, 2021, the Company paid a \$185,000 placement fee to J.H. Darbie & CO, \$85,000 cash and \$100,000 with 934,580 shares of common stock.

NOTE 12 – RELATED PARTY TRANSACTIONS

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions. Pursuant to Section 850-10-20 the related parties include a) affiliates of the Company; b) Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d) principal owners of the Company; e) management of the Company; f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g) Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a) the nature of the relationship(s) involved; b) a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

During the three months ended September 30, 2021 and 2020, the Company's Chief Executive Officer advanced personal funds in the amount of \$0 and \$10,582 for Company expenses. As of September 30, 2021, the Company's Chief Executive Officer is owed a total of \$23,980 for advanced personal funds.

NOTE 13 – COMMITMENTS & CONTINGENCIES

Potential Royalty Payments

The Company, in consideration of the terms of the debenture to the University of New Brunswick, shall pay to the University a two percent royalty on sales of any and all products or services which incorporate the Company's patents for a period of five years from April 24, 2018.

Legal Matters

Carebourn Capital, L.P.

On January 29, 2021, Carebourn Capital, L.P. ("**Carebourn**") commenced suit against the Company in the 4th Judicial District (Hennepin County District Court) (Minnesota), alleging the Company breached the terms and conditions of two convertible promissory notes and accompanying securities purchase agreements Carebourn and the Company entered into on July 17, 2018 and July 24, 2018, respectively.

Also on January 29, 2021, Carebourn moved for a temporary injunction to enjoin the Company from transferring any shares of its common stock to any third parties. Following submission of briefing by both parties and oral arguments on Carebourn's motion, on March 17, 2021, the Court denied Carebourn's motion for a temporary injunction.

On April 14, 2021, Carebourn filed an amended complaint and asserted new claims. On May 13, 2021, the Company filed a motion to dismiss Carebourn's amended complaint, arguing that Carebourn is conducting itself as an unregistered dealer, in violation of Section 15(a) of the Securities and Exchange Act of 1934 (the "**Act**"), and, pursuant to Section 29(b) of the Act, the Company is entitled to have all contracts arising under the unlawful securities transaction declared void ab initio and seek rescissory damages for any unlawful securities transactions effected by Carebourn.

As of the date hereof, a ruling has not been issued on the foregoing motions to dismiss filed by the Company and other defendants. Furthermore, as of the date hereof, the Company and Carebourn are conducting discovery. The Company intends to defend itself against the allegations asserted in Carebourn's amended complaint and interpose the defenses provided under the Act, including but not limited to asserting that Carebourn is an unregistered dealer acting in violation of Section 15(a) and, pursuant to Section 29(b), the Company interposing its right to rescind the unlawful securities contracts in their entirety and, furthermore, seek rescissory damages for any unlawful securities transactions effected by Carebourn. The Company contends that its arguments are brought in good faith, particularly in light of recent SEC enforcement actions and the SEC's ongoing

investigation against Carebourn, among other parties, for violations of federal securities laws, including violations of Section 15(a) of the Act. See U.S. Securities and Exchange Commission v. Carebourn Capital, LP et al, Case No. 1:20-cv-07162 (N.D. Ill.).

Former DarkPulse Officers

On September 10, 2021, Stephen Goodman, Mark Banash, and David Singer (the "**Former Officers**"), all former officers and employees of the Company, commenced suit against the Company in Arizona Superior Court, Maricopa County. The complaint alleges the Company breached the rights of the Former Officers in connection with Series D preferred stock issued to the Former Officers. The Company intends to defend itself against the allegations asserted in the Former Officers' complaint. If the case progresses the Company will file countersuits against all plaintiffs.

More Capital, LLC

On June 29, 2021, More Capital, LLC ("**More**") commenced suit against the Company, et al., in the 4th Judicial District (Hennepin County District Court) (Minnesota), alleging the Company breached the terms and conditions of a convertible promissory note and accompanying securities purchase agreement More and the Company entered into on August 20, 2018.

On July 20, 2021, the Company filed a motion to dismiss More's complaint, arguing that the claims asserted against the Company fail to state a claim upon which relief can be granted.

The Company intends to defend itself against the allegations asserted in More's complaint and interpose the defenses provided under the Act, including but not limited to asserting that More is an unregistered dealer acting in violation of Section 15(a) of the Act and, pursuant to Section 29(b) of the Act, the Company interposing its right to rescind the unlawful securities contracts in their entirety and, furthermore, seek rescissory damages for any unlawful securities transactions effected by More. The Company contends that its arguments are brought in good faith, particularly in light of recent SEC enforcement actions and the SEC's ongoing investigation against More, among other parties, for violations of federal securities laws, including violations of Section 15(a) of the Act. See U.S. Securities and Exchange Commission v. Carebourn Capital, LP et al, Case No. 1:20-cv-07162 (N.D. Ill.).

From time to time, we may become involved in litigation relating to claims arising out of our operations in the normal course of business. We are not currently involved in any pending legal proceeding or litigation and, to the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties is subject, which would reasonably be likely to have a material adverse effect on our business, financial condition and operating results.

NOTE 14— SUBSEQUENT EVENTS

The Company evaluated events occurring after the date of the accompanying unaudited condensed consolidated balance sheets through the date the financial statements were issued and has identified the following subsequent events that it believes require disclosure:

Effective October 1, 2021, we entered into and closed the Membership Purchase Agreement (the "**TerraData MPA**") with TerraData Unmanned, PLLC, a Florida limited liability company ("**TerraData**"), and Justin Dee, the sole shareholder of TerraData, pursuant to which we agreed to purchase 60% of the equity interests in TerraData in exchange for 3,725,386 shares of our Common Stock and \$400,000, subject to adjustments as defined in the TerraData MPA, to be paid within 12 weeks of closing. TerraData is now a subsidiary of the Company.

Pursuant to the Purchase Agreement, on October 1, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from us, 37,187,289 shares of Common Stock for total proceeds to us, net of discounts, of \$3,000,000, at an effective price of \$0.08874 per share (the "**Fourth Closing**"). We received approximately \$2,850,000 in net proceeds from the Fourth Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Fourth Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Pursuant to the Purchase Agreement, on October 14, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from us, 14,282,304 shares of Common Stock for total proceeds to us, net of discounts, of \$1,055,000, at an effective price of \$0.08125 per share (the "**Fifth Closing**"). We received approximately \$1,002,250 in net proceeds from the Fifth Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Fifth Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Historical results may not indicate future performance. Our forward-looking statements reflect our current views about future events; are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2020. We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements

Critical Accounting Policies

The following discussions are based upon our financial statements and accompanying notes, which have been prepared in accordance with accounting principles generally accepted in the United States.

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingencies. We continually evaluate the accounting policies and estimates used to prepare the financial statements. We base our estimates on historical experiences and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management.

Business Overview

DarkPulse, Inc., a Delaware corporation (the "**Company**"), is a technology-security company focused on the manufacture, sale, installation, and monitoring of laser sensing systems based on its patented BOTDA dark-pulse sensor technology. The Company develops, markets, and distributes a full suite of engineering, monitoring, installation and security management solutions for critical infrastructure/key resources to both industries and governments. Coupled with our patented BOTDA dark-pulse technology (the "**DarkPulse Technology**"), DarkPulse provides its customers a comprehensive data stream of critical metrics for assessing the health and security of their infrastructure. Our systems provide rapid, precise analysis and responsive activities predetermined by the end-user customer. The Company's activities since inception have consisted of developing various solutions, obtaining patents and trademarks related to its technology, raising capital, acquisition of companies deemed to expand global operations and/or capabilities, creating key partnerships to expand our suite of products and services. Our activities have evolved to a sales-focused mission since the successful completion of our BOTDA system in December 2020.

Headquartered in New York, DarkPulse is a globally based technology company with presence in United Kingdom, India, Dubai, Russian Federation, Turkey, Azerbaijan, Iraq, Libya, United States and Canada. In addition to the Company's BOTDA systems, through a series of strategic acquisitions the Company offers the manufacture, sale, installation, and monitoring of laser sensing systems, O & G pipeline leak detection, physical security services, telecommunications and satellite communications services, drone and rover systems. The Company is focused on expanding services through acquisitions and partnerships to address global infrastructure and critical environmental resource challenges. DarkPulse offers a full suite of engineering and environmental solutions that provide safety and security infrastructure projects. The sensing and monitoring capabilities offered by DarkPulse and our subsidiary companies operate in the Air, Land, Sea. Our patented technology provides rapid, precise analysis to protect and safeguard oil and gas pipelines above or below ground, physical security countermeasures, mining operations, and other critical infrastructure / key resources subject to vulnerability or risk. Our patented Brillouin scattering distributed fiber sensing system is best in class. The Company is able to monitor areas in around critical infrastructure buried or above ground including pipelines 100km or more in length and/or localized pipes as small as 8 CM DIA, detecting internal anomalies before catastrophic failure. We are developing an Intelligent Rock Bolt, to prevent casualties and fatalities in mining operations and include a real time sensor system that can detect the location & movement of personnel & equipment throughout a mining operation. We monitor airflow, air quality, temperature, seismic events, etc. Our sensors cover extended areas, protecting an area from intrusion by detecting events at any location along the sensing cable. Working safely every day is our first core value and employees at DarkPulse and our subsidiary companies are recognized experts in their fields, providing comprehensive services for all our clients' needs.

Our Operating Units

Optilan

Telecommunications, Energy, Rail, Critical Network Infrastructure, Pipeline Integrity Systems, Renewables and Security. Headquartered in Coventry, United Kingdom with a 30-year pedigree, at Optilan our customers trust us to keep the integrity of their assets safe and secure, by managing the life cycle delivery risk of our solutions. By fostering a collaborative design approach to complex problems, we provide innovative solutions, custom fit to even the most demanding of sites and scale of projects. Importantly, our commitment to our safety culture remains unavered, to ensure that everyone goes home safely every day. We orchestrate business resilience with a suite of end-to-end solutions, combined with connectivity and professional service at a global level. Today's business environment is more dynamic than ever, with continuous change and disruption accepted as the new normal. We complement our tailored, integrated expertise with a curated ecosystem of leading manufacturers, to achieve both high quality and enduring results. We are proud to foster a unique culture full of talented individuals. Our sector focus ensures that our account teams are fully accredited in their operational areas. We are committed to creating individually tailored solutions, using collaborative techniques and programming tools to deliver the networks of the future. Optilan has provided integrated solutions for leading Oil and Gas, Industrial and Energy companies around the world. As an industry leader in deploying communication networks with exceptional reliability, our reputation for delivering the highest quality products remains unsurpassed. This spans mobile, broadband, security systems and customer premise works. Our professionals have the skill to adopt and embed our expertise into existing platforms, processes, and cultures, delivering exceptional value for our clients. Beyond our operational scope, we strive to consider the impact of our global footprint and mitigate associated environmental and sustainability risks. These factors combined set Optilan apart and establish why customers continue to trust and invest in our services.

Remote Intelligence

Remote Intelligence provides Unmanned Aerial Drone and UGC (unmanned ground crawler) Services to a variety of clients; from Industrial Mapping and Ecosystem Services, to Search and Rescue, to Pipeline Security, we provide sales and consulting services for all markets. Remote Intelligence started in 2013 with a simple vision; to use the new and developing field of unmanned aerial vehicles to produce higher quality, safer and more effective products for a variety of markets. We strive to Equip, Educate and Advance the use of the most advanced Unmanned Aerial Systems and Unmanned Ground Crawlers in the United States and around the world for commercial, government and domestic use. Our top priorities as we do that are to find safe and ethical ways to use this new and exciting field of technology to make life better. Providing holistic intelligence consultation and solutions including full-service Methane Detection and Monitoring. Quick, comprehensive site mapping and aerial inspection services. We specialize in fully integrated, geo-rectified, 3D modeled mapping and AI for industrial applications, specializing in the energy and environmental industries, with AI and live streaming capabilities anywhere in the world. Also providing aerial survey, video inspection services, emergency support services, wildlife and habitat surveys, and comprehensive system design, training, and sales for both the commercial and private sectors. Integrating the latest tech solutions like artificial intelligence. Globally connected with a base of operation in Wellsboro Pennsylvania.

TerraData Unmanned

Comprised of a team with more than 30 years cumulative experience in the unmanned industry, TerraData is well equipped to provide solutions that meet your unique requirements. We custom manufacture NDAA compliant drones and unmanned ground crawlers to meet the needs of our customers. Aerial based data collection is a powerful new tool for your industry, and TerraData is prepared to be your partner. TerraData Unmanned, has successfully delivered a custom drone platform per a customer's specifications which exceeds current industry offering by more than 30 minutes. The team has manufactured, and successfully flight tested a Quad Copter drone with 1.5KG payload capabilities that delivers more than 60 minutes of continuous flight. This cutting-edge design is a combination of proprietary software and hardware. The custom platform offers NDAA compliant autopilot, communications links, TSO Certified GPS unit and ground control station. Future designs include integrating RTK for mapping, methane detectors, and true terrain following capabilities. There are also improvements scheduled that are intended to further extend the endurance and provide over 4KG of payload capacity, not including batteries. TerraData has also announced the research, development and successful testing of an autonomous crawler soon to be released to the market with Methane and Multi Gas Detection capabilities. Working seamlessly with our partners at DarkPulse and our subsidiary companies. We can custom design, build and operate a system to meet our customers' needs 24 hours a day 365 days a year around the block or around the globe.

Wildlife Specialists

Wildlife Specialists, LLC was founded in 2007 to provide clients with comprehensive wildlife and environmental assessment, planning, and monitoring services. We currently maintain two regional offices located in north central and southeastern Pennsylvania and are available to provide services to clients nationwide and around the globe. Our staff are well-established professionals who have a wide range of experience in wildlife management, research, and monitoring at the local and statewide levels throughout the United States. In addition, we have specific expertise in providing the full range of sensitive species and habitat assessments necessary for your development projects. Wildlife Specialists' mission is to provide consulting services that use the latest technology to produce the highest quality results compatible with our clients' management goals and the appropriate protocols developed by state and federal wildlife management agencies. Wildlife Specialists is fully insured to industry standards and committed to the safety of our staff, our clients, and the public. We have maintained safety certification through ISNetWorld and other 3rd party certifiers. We are also officially PennDOT, CSA, Small Business and HUBZone Certified.

TJM West Electronics

TJM West Electronics is an ISO9001 and AS9100 certified electronics and electro-mechanical assembly operation. We operate out of a high tech, 20,000 Sq ft facility in Tempe, Arizona. Our assembly team is trained to IPC 610 and J-STD-001 standards, Class 2 and 3. We have been in business since 1999. Our latest website was developed to be a customer interface for rapid costing, build scheduling, open order status, and complete manufacturing history data records. Registered users can enter build and fabrication parameters for quantities of 2-20 units. Our calculator provides itemized labor, PCB fabrication cost and delivery. Registered users can also access factory floor for the updated status and delivery date of open orders, a review of configuration, quotes and full quality history database.

As a U.S. manufacturer and test of advanced electronics, cables and sub-assemblies, we specialize in advanced package and complex CCA and hardware. Certified to space and flight AS9100D, TJM has over 20 years supplying ultra-high reliability, and fully documented electronic Hardware. Per AS9100D, TJM maintains all material certifications, process and measurement reports electronically as part of a complete quality history record. Manufacturing PCB Design services on the most popular platforms including Cadence, Altium, and Mentor. Design output data integrates seamlessly to our automated manufacturing line. Test Development ICT to functional and burn-in. We develop a test plan and hardware system to deliver your 100% verified product. Low Cost, High Reliability Manufacturing is the net result of quality planning, optimizing automation technology, operational efficiency, and communication. High value, low-cost domestic solution to replace offshore manufacturing. Protect your IP and keep direct line-of sight of manufacturing with products made in the USA. TJM West Is your one stop shop.

Recent Events

Acquisitions

On August 9, 2021, we entered into a Share Purchase Agreement with Optilan Guemsey Limited and Optilan Holdco 2 Limited (the "**Sellers**"), pursuant to which we purchased from the Sellers all of the issued and outstanding equity interests of Optilan HoldCo 3 Limited, a private company incorporated in England and Wales ("**Optilan**") for £1.00 and also a commitment to enter into the Subscription (as defined below). Optilan is now a wholly-owned subsidiary of the Company.

On August 9, 2021, we entered into a Subscription Agreement with Optilan (the "**Subscription**"), pursuant to which we agreed to purchase an aggregate of 4,000,000 Ordinary Shares of Optilan for an aggregate purchase price of £4,000,000.

On August 30, 2021, we closed two separate Membership Interest Purchase Agreements (the "**MPAs**") with Remote Intelligence, Limited Liability Company, a Pennsylvania limited liability company ("**RI**") and Wildlife Specialists, LLC, a Pennsylvania limited liability company ("**WS**") pursuant to which we agreed to pay to the majority shareholder of each of RI and WS an aggregate of 15,000,000 shares of our Common Stock, \$500,000 to be paid on the closing date, and an additional \$500,000 to be paid 12 weeks from closing date in exchange for 60% ownership of each of RI and WS. RI and WS are now subsidiaries of the Company.

On September 8, 2021, we entered into and closed the Stock Purchase Agreement (the "**TJMSPA**") with TJM Electronics West, Inc., an Arizona corporation ("**TJM**"), and TJM's shareholders, pursuant to which we agreed to purchase all of the equity interests in TJM in exchange for \$450,000, subject to adjustments as defined in the TJM SPA. TJM is now a wholly-owned subsidiary of the Company.

Effective October 1, 2021, we entered into and closed the Membership Purchase Agreement (the "**TerraData MPA**") with TerraData Unmanned, PLLC, a Florida limited liability company ("**TerraData**"), and Justin Dee, the sole shareholder of TerraData, pursuant to which we agreed to purchase 60% of the equity interests in TerraData in exchange for 3,725,386 shares of our Common Stock and \$400,000, subject to adjustments as defined in the TerraData MPA, to be paid within 12 weeks of closing. TerraData is now a subsidiary of the Company.

Financings

On January 4, 2021, we entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc. ("**Geneva**") issuing to Geneva a convertible promissory note in the aggregate principal amount of \$42,350 with a \$3,850 original issue discount and \$3,500 in transactional expenses due to Geneva and its counsel. The note bears interest at 8% per annum and may be converted into common shares of our Common Stock at a conversion price equal to 70% of the lowest trading price of our common stock during the 20 prior trading days. We received \$35,000 net cash.

On February 3, 2021, we entered into a securities purchase agreement with Geneva issuing to Geneva a convertible promissory note in the aggregate principal amount of \$94,200 with a \$15,700 original issue discount and \$3,500 in transactional expenses due to Geneva and its counsel. The note bears interest at 4.5% per annum and may be converted into common shares of our Common Stock at a conversion price equal to 81% of the lowest two trading prices of our Common Stock during the 10 prior trading days. We received \$75,000 net cash.

On February 18, 2021, we entered into a securities purchase agreement with Geneva issuing to Geneva a convertible promissory note in the aggregate principal amount of \$76,200 with a \$12,700 original issue discount and \$3,500 in transactional expenses due to Geneva and its counsel. The note bears interest at 4.5% per annum and may be converted into common shares of our Common Stock at a conversion price equal to 81% of the lowest two trading prices of our Common Stock during the 10 prior trading days. We received \$60,000 net cash.

On April 5, 2021, we entered into a securities purchase agreement with Geneva Roth issuing to Geneva a convertible promissory note in the aggregate principal amount of \$64,200 with a \$10,700 original issue discount and \$3,500 in transactional expenses due to Geneva and its counsel. The note bears interest at 4.5% per annum and may be converted into common shares of our Common Stock at a conversion price equal to 81% of the lowest two trading prices of our Common Stock during the 10 prior trading days. We received \$50,000 net cash.

On April 26, 2021, we entered a Securities Purchase Agreement (the "**FirstFire SPA**") and Registration Rights Agreement (the "**Registration Rights Agreement**") with FIRSTFIRE GLOBAL OPPORTUNITIES FUND, LLC, a Delaware limited liability company (the "**FirstFire**"), pursuant to which we issued to FirstFire a Convertible Promissory Note in the principal amount of \$825,000 (the "**FirstFire Note**"). The purchase price of the FirstFire Note is \$750,000. The FirstFire Note matures on January 26, 2022 upon which time all accrued and unpaid interest will be due and payable. Interest accrues on the FirstFire Note at 10% per annum guaranteed until the FirstFire Note becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise. The FirstFire Note is convertible at any time after 180 days from issuance, upon the election of the FirstFire, into shares of our Common Stock at \$0.015 per share. The FirstFire Note is subject to various "Events of Default," which are disclosed in the FirstFire Note. Upon the occurrence of an "Event of Default," the conversion price will become \$0.005. In the event of a DTC "chill" on our shares, an additional discount of 10% will apply to the conversion price while the "chill" is in effect. Upon the issuance of the FirstFire Note, we have initially agreed to reserve 550,000,000 shares of Common Stock.

The Registration Rights Agreement provides that we shall (i) use our best efforts to file with the Commission an S-1 Registration Statement within 90 days of the date of the Registration Rights Agreement to register the shares into which the FirstFire Note is convertible; and (ii) have the Registration Statement declared effective by the SEC within 180 days after the date the Registration Statement is filed with the SEC.

On July 14, 2021, we entered a Securities Purchase Agreement with GS Capital Partners, LLC (the "**GS**"), pursuant to which we issued to GS a 6% Redeemable Note in the principal amount of \$2,000,000 (the "**GS Note**"). The purchase price of the GS Note is \$1,980,000. The GS Note matures on July 14, 2022 upon which time all accrued and unpaid interest will be due and payable. Interest accrues on the GS Note at 6% per annum until the GS Note becomes due and payable. The GS Note is subject to various "Events of Default," which are disclosed in the GS Note. Upon the occurrence of an "Event of Default," the interest rate on the GS Note will be 18%. The GS Note is not convertible into shares of our Common Stock and is not dilutive to existing or future shareholders and we plan on using a portion of the proceeds of the GS Note to retire existing convertible debt.

On August 19, 2021, we entered into the Purchase Agreement with GHS, for the offering of up to \$45,000,000 worth of Common Stock. Pursuant to the Purchase Agreement, on August 19, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from the Company, 31,799,260 shares of Common Stock for total proceeds to the Company, net of discounts, of \$3,300,000, at an effective price of \$0.1038 per share (the "**First Closing**"). We received approximately \$2,790,000 in net proceeds from the First Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the First Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Pursuant to the Purchase Agreement, on August 31, 2021, we and GHS agreed that the Company would issue and sell to GHS, and GHS would purchase from us, 27,297,995 shares of Common Stock for total proceeds to us, net of discounts, of \$3,300,000, at an effective price of \$0.120888 per share (the "**Second Closing**"). We received approximately \$2,885,000 in net proceeds from the Second Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Second Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Pursuant to the Purchase Agreement, on September 22, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from us, 25,630,272 shares of Common Stock for total proceeds to us, net of discounts, of \$2,000,000, at an effective price of \$0.085836 per share (the "**Third Closing**"). We received approximately \$1,915,000 in net proceeds from the Third Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Third Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Pursuant to the Purchase Agreement, on October 1, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from us, 37,187,289 shares of Common Stock for total proceeds to us, net of discounts, of \$3,000,000, at an effective price of \$0.08874 per share (the "**Fourth Closing**"). We received approximately \$2,850,000 in net proceeds from the Fourth Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Fourth Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Pursuant to the Purchase Agreement, on October 14, 2021, we and GHS agreed that we would issue and sell to GHS, and GHS would purchase from us, 14,282,304 shares of Common Stock for total proceeds to us, net of discounts, of \$1,055,000, at an effective price of \$0.08125 per share (the "**Fifth Closing**"). We received approximately \$1,002,250 in net proceeds from the Fifth Closing after deducting the fees and other estimated offering expenses payable by us. We used the net proceeds from the Fifth Closing for working capital and for general corporate purposes. The shares were issued to GHS in a registered direct offering, pursuant to a prospectus supplement to our currently effective registration statement on Form S-3 (File No. 333-257826), which was initially filed with the SEC on July 12, 2021, and was declared effective on August 18, 2021.

Partnerships

We have entered into a consulting agreement with the Bachner Group to assist in the successful transformation from an R&D focused company to a sales-focused company, and assist us with federal contract opportunities.

Other Events

On August 3, 2021, we entered into an Engagement Agreement and Terms and Conditions (the "**EIAP Agreement**") with Energy & Industrial Advisory Partners, LLC ("**EIAP**"). Pursuant to the EIAP Agreement, we have engaged EIAP to serve as an advisor to us in the proposed transaction for agreed target company or any of its subsidiaries and/or the whole or any part of its or their business or assets (the "**Transaction**"). EIAP will receive a monthly retainer of \$10,000 per month payable upon receipt of an invoice. EIAP will also receive a consulting bonus fee of \$350,000 payable upon completion of the Transaction. In the event of successful completion of the Transaction as a result of EIAP's involvement, EIAP agrees to deduct the total retainer fee from the consulting bonus fee. The EIAP Agreement may be terminated, with or without cause, by either party upon ten days' written prior notice thereof to the other party. If (a) during the term of the EIAP Agreement, or (b) within two years following the date of the EIAP Agreement's termination

by us (provided that such two-year period shall be extended by the same period of time that we take to settle in full all fees, expenses and/or outlays due or to become due to EIAP as at the date of the EIAP Agreement's termination), we complete a transaction with the target company or a similar transaction to the Transaction, then we will pay the consulting bonus fee at the completion of the transaction.

Going Concern Uncertainty

As shown in the accompanying financial statements, during the nine months ended September 30, 2021, the Company reported a net loss of \$1,924,311. As of September 30, 2021, the Company's current liabilities exceeded its current assets by \$12,139,502. As of September 30, 2021, the Company had \$2,564,492 of cash.

We will require additional funding to finance the growth of our operations and achieve our strategic objectives. These factors, as relative to capital raising activities, create doubt as to our ability to continue as a going concern. We are seeking to raise additional capital and are targeting strategic partners in an effort to accelerate the sales and marketing of our products and begin generating revenues. Our ability to continue as a going concern is dependent upon the success of future capital offerings or alternative financing arrangements, expansion of our operations and generating sales. The accompanying financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. Management is actively pursuing additional sources of financing sufficient to generate enough cash flow to fund its operations; however, management cannot make any assurances that such financing will be secured.

Results of Operations

Revenues

For the three months ended September 30, 2021, total revenues were \$3,500,970 compared to \$0 for the same period in 2020, an increase of \$3,500,970. This increase primarily consisted of revenues of \$3,380,633 from the acquisition of Optilan in August 2021 and \$97,283 from the acquisition of Wildlife Specialists in August 2021.

For the nine months ended September 30, 2021, total revenues were \$3,500,970 compared to \$0 for the same period in 2020, an increase of \$3,500,970. This increase primarily consisted of revenues of \$3,380,633 from the acquisition of Optilan in August 2021 and \$97,283 from the acquisition of Wildlife Specialists in August 2021.

Cost of Goods Sold and Gross Profit

For the three months ended September 30, 2021, cost of goods sold were \$2,767,229 compared to \$0 for the same period in 2020, an increase of \$2,767,229.

Gross profit for the three months ended September 30, 2021 was \$733,731 with a gross profit margin of 21% compared to \$0 for the same period in 2020 with no gross profit margin.

For the nine months ended September 30, 2021, cost of goods sold were \$2,767,229 compared to \$0 for the same period in 2020, an increase of \$2,767,229.

Gross profit for the nine months ended September 30, 2021 was \$733,731 with a gross profit margin of 21% compared to \$0 for the same period in 2020 with no gross profit margin.

Operating Expenses

Selling, general and administrative expenses for three months ended September 30, 2021 increased by \$372,158 to \$406,940 from \$34,782 of 1,070% for the three months ended September 30, 2020.

General and administrative expenses for nine months ended September 30, 2021 increased by \$410,927 to \$531,793 from \$120,866 or 340% for the nine months ended September 30, 2020.

Payroll related expenses for three months ended September 30, 2021, increased by \$1,007,453 to \$1,007,453 from \$0 for the three months ended September 30, 2020. The increase primarily consisted of an increase to the numbers of employees inherited from our various acquisitions.

Payroll related for nine months ended September 30, 2021, increased by \$1,007,266 to \$1,007,453 from \$187 for the nine months ended September 30, 2020. The increase primarily consisted of an increase to the numbers of employees inherited from our various acquisitions in the most recent three months period.

Professional fees for three months ended September 30, 2021, increased by \$1,680,600 to \$1,680,600 from \$0 for the three months ended September 30, 2020. This increase primarily consisted of increased legal expenditures associated with the increase in litigation.

Professional fees for nine months ended September 30, 2021, increased by \$1,853,275 to \$1,901,572 from \$48,297 for the nine months ended September 30, 2020. This increase primarily consisted of increased legal expenditures associated with the increase in litigation.

Depreciation and amortization for three months ended September 30, 2021, increased by \$78,465 to \$91,222 from \$12,757 for the three months ended September 30, 2020. This increase is primarily due to the increase in depreciable assets we acquired from new acquisitions.

Depreciation and amortization for nine months ended September 30, 2021, increased by \$78,465 to \$116,736 from \$38,271 for the three months ended September 30, 2020. This increase is primarily due to the increase in depreciable assets we acquired from new acquisitions.

Other Income (Expense)

For the three months ended September 30, 2021, other income \$798,654 compared to other expense of \$126,483 for the same period in 2020, an increase in income of \$925,137. This increase primarily consisted of \$785,240 of gain related to the extinguishment of debt, \$434,206 of gain on convertible notes, \$153,360 of gain on foreign currency exchange rate variance offset by an increase in interest expense of \$283,388 due to increased borrowings and \$163,281 increase in the fair value of the Company's derivative instruments.

For the nine months ended September 30, 2021, other income \$1,084,462 compared to other expense of \$180,940 for the same period in 2020, an increase in income of \$1,265,402. This increase primarily consisted of \$785,240 of gain related to the extinguishment of debt, \$781,203 of gain on convertible notes, \$153,360 of gain on foreign currency exchange rate variance offset by an increase in interest expense of \$573,448 due to increased borrowings and \$121,047 increase in the fair value of the Company's derivative instruments.

Net Income (Loss)

As a result of the above, we reported a net loss of \$1,686,830 for the three months ended September 30, 2021 compared to a net loss of \$174,022 for the three months ended September 30, 2020.

Additionally, as a result of the above, we reported a net loss of \$1,924,311 for the nine months ended September 30, 2021 compared to a net loss of \$388,561 for the nine months ended September 30, 2020.

Liquidity and Capital Resources

We require working capital to fund the continued development and commercialization of our proprietary fiber optic sensing devices, and for operating expenses. During the three months ended September 30, 2021, we had \$11,102,700 in new cash proceeds compared to the three months ended September 30, 2020, when we had no new cash proceeds.

As of September 30, 2021, we had cash of \$2,564,492, compared to \$337 as of December 31, 2020. As of September 30, 2021, our current liabilities exceeded our current assets by \$12,139,503.

Cash Flows from Operating Activities

During the nine months ended September 30, 2021, net cash used by operating activities was \$7,446,593, resulting from our net loss of \$1,924,311 and an increase in expenses related to our convertible notes payables, including amortization of debt discount of \$404,087 and loan acquisition costs of \$480,450, increase in stock based compensation of \$649,334, increase in inventory of \$410,836 and operating lease liabilities of \$1,398,068. These increases were offset by a decrease in derivative liability of \$741,789, increase in accounts payable and accrued expenses of \$4,362,016 and an increase from the gain on the extinguishment of debt of \$785,240, increase in accounts receivable of \$893,366, unbilled revenue of \$563,555 and increase in contract liability of \$1,439,504.

By comparison, during the nine months ended September 30, 2020, net cash provided by operating activities was \$4,278, resulting from our net loss of \$388,561 and an increase in expenses related to our convertible notes payables, including amortization of debt discount of \$39,414, increase in derivative liability of \$44,684, increase in accounts payable and accrued expenses of \$280,370.

Cash Flows from Investing Activities

During the nine months ended September 30, 2021, we had net cash used in investing activities of \$546,765. During the nine months ended September 30, 2020, we had net cash used in investing activities of \$4,969.

Cash Flows from Financing Activities

During the nine months ended September 30, 2021, net cash provided by financing activities was \$10,718,100, comprised of proceeds from the sale of common stock from offering of \$8,000,000, the issuance of convertible debt in the amount of \$1,102,700, the issuance of notes payable of \$2,000,000 offset by payments on convertible debt of \$384,600. During the nine months ended September 30, 2020, we had no net cash provided by or used in financing activities.

Factors That May Affect Future Results

Management's Discussion and Analysis contains information based on management's beliefs and forward-looking statements that involve a number of risks, uncertainties, and assumptions. There can be no assurance that actual results will not differ materially from the forward-looking statements as a result of various factors, including but not limited to, our ability to obtain the equity funding or borrowings necessary to market and launch our products, our ability to successfully serially produce and market our products; our success establishing and maintaining collaborative licensing and supplier arrangements; the acceptance of our products by customers; our continued ability to pay operating costs; our ability to meet demand for our products; the amount and nature of competition from our competitors; the effects of technological changes on products and product demand; and our ability to successfully adapt to market forces and technological demands of our customers.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our consolidated financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity capital expenditures or capital resources.

Recent Accounting Pronouncements

We have provided a discussion of recent accounting pronouncements in Note 1 to the Condensed Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and, as such, is accumulated and communicated to our Chief Executive Officer, Dennis O'Leary, who serves as our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Mr. O'Leary, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act, as of September 30, 2021. Based on his evaluation, Mr. O'Leary concluded that our disclosure controls and procedures were effective as of September 30, 2021.

Changes in Internal Control Over Financial Reporting

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Former Officers

On September 10, 2021, Stephen Goodman, Mark Banash, and David Singer (the "**Former Officers**"), all former officers and employees of the Company, commenced suit against the Company in Arizona Superior Court, Maricopa County. The complaint alleges the Company breached the rights of the Former Officers in connection with Series D preferred stock issued to the Former Officers. The Company intends to defend itself against the allegations asserted in the Former Officers' complaint. If the case progresses the Company will file countersuits against all plaintiffs.

More Capital, LLC

On June 29, 2021, More Capital, LLC ("**More**") commenced suit against the Company, et al., in the 4th Judicial District (Hennepin County District Court) (Minnesota), alleging the Company breached the terms and conditions of a convertible promissory note and accompanying securities purchase agreement More and the Company entered into on August 20, 2018.

On July 20, 2021, the Company filed a motion to dismiss More's complaint, arguing that the claims asserted against the Company fail to state a claim upon which relief can be granted.

The Company intends to defend itself against the allegations asserted in More's complaint and interpose the defenses provided under the Exchange Act, including but not limited to asserting that More is an unregistered dealer acting in violation of Section 15(a) of the Exchange Act and, pursuant to Section 29(b) of the Exchange Act, the Company interposing its right to rescind the unlawful securities contracts in their entirety and, furthermore, seek rescissory damages for any unlawful securities transactions effected by More. The Company contends that its arguments are brought in good faith, particularly in light of recent SEC enforcement actions and the SEC's ongoing investigation against More, among other parties, for violations of federal securities laws, including violations of Section 15(a) of the Exchange Act. See U.S. Securities and Exchange Commission v. Carebourn Capital, LP et al, Case No. 1:20-cv-07162 (N.D. Ill.).

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

As a result of the First Closing, the Second Closing, and the Third Closing, pursuant to a Finder's Fee Agreement, on September 30, 2021, we issued to J.H. Darbie & Co., Inc. ("**J.H. Darbie**"), an aggregate of 3,194,081 shares of common stock.

J.H. Darbie consented to the imposition of a restrictive legend upon the shares. J.H. Darbie did not enter into the transaction as a result of or subsequent to any advertisement, article, notice, or other communication published in any newspaper, magazine, or similar media or broadcast on television or radio, or presented at any seminar or meeting. J.H. Darbie was also afforded the opportunity to ask questions of management and to receive answers concerning the terms and conditions of the transaction. The securities were issued without registration under the Securities Act of 1933, as amended, by reason of the exemption from registration afforded by the provisions of Section 4(a)(2) thereof, and/or Rule 506(b) promulgated thereunder, as a transaction by an issuer not involving any public offering.

Item 6. Exhibits

SEC No.	Ref.	Title of Document
4.1*		6% Redeemable Note dated July 14, 2021 issued to GS Capital Partners, LLC in the principal amount of \$2,000,000
10.1*		Securities Purchase Agreement dated July 14, 2021 with GS Capital Partners, LLC
10.2*		Consulting Agreement dated effective July 22, 2021 with Rick Gibson
10.3*		Engagement Agreement and Terms and Conditions dated August 3, 2021 with Energy & Industrial Advisory Partners, LLC
10.4*		Letter of Intent dated June 8, 2021 with Remote Intelligence, Limited Liability Company
10.5*		Letter of Intent dated June 8, 2021 with Wildlife Specialists, LLC
10.6*		Share Purchase Agreement dated August 9, 2021 with Optilan Guemsey Limited and Optilan Holdco 2 Limited
10.7*		Subscription Agreement August 9, 2021 with Optilan HoldCo 3 Limited
10.8*		Letter of Intent dated effective August 18, 2021 with TJM Electronics West, Inc.
10.9*		Membership Interest Purchase Agreement dated August 30, 2021 with Remote Intelligence, Limited Liability Company
10.10*		Membership Interest Purchase Agreement dated August 30, 2021 with Wildlife Specialists, LLC
10.11*		Letter of Intent dated June 25, 2021 with TerraData Unmanned, PLLC
10.12*		Amendment No. 1 to Letter of Intent with TerraData Unmanned, PLLC dated effective August 24, 2021
10.13*		Amendment No. 2 to Letter of Intent with TerraData Unmanned, PLLC dated effective September 3, 2021
10.14*		Amendment to Letter of Intent with TJM Electronics West, Inc. dated effective August 31, 2021
10.15*		Stock Purchase Agreement dated September 8, 2021 with TJM Electronics West, Inc.
10.16*		Research Agreement dated September 21, 2021 with the Arizona Board of Regents
31.1*		Rule 13a-14(a) Certification by Principal Executive and Financial Officer
32.1**		Section 1350 Certification of Principal Executive and Financial Officer
101.INS*		Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)

101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in iXBRL, and included in exhibit 101).

*Filed with this Report.

**Furnished with this Report.

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.

DarkPulse, Inc.

Date: November 15, 2021

By /s/ Dennis O'Leary
Dennis O'Leary, Chairman, Chief Executive Officer, President, Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "1933 ACT")

US \$2,000,000.00

DARKPULSE, INC.
6% REDEEMABLE NOTE
DUE JULY 14, 2022

FOR VALUE RECEIVED, DARKPULSE, INC. (the "Company") promises to pay to the order of GS CAPITAL PARTNERS LLC and its authorized successors and permitted assigns ("Holder"), the aggregate principal face amount of Two Million Dollars (U.S. \$2,000,000.00) on JULY 14, 2022 ("Maturity Date") and to pay interest on the principal amount outstanding hereunder at the rate of 6% per annum commencing on JULY 14, 2021 ("Issuance Date"). The Company acknowledges this Note was issued with a \$20,000.00 original issue discount and as such the purchase price was \$1,980,000.00. The interest will be paid to the Holder in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note. The principal of, and interest on, this Note are payable at 30 Washington Street, Suite 5L, Brooklyn, NY 11201, and if changed, last appearing on the records of the Company as designated in writing by the Holder hereof from time to time. The Company will pay each interest payment and the outstanding principal due upon this Note before or on the Maturity Date, less any amounts required by law to be deducted or withheld, to the Holder of this Note by check or wire transfer addressed to such Holder at the last address appearing on the records of the Company. The forwarding of such check or wire transfer shall constitute a payment of outstanding principal hereunder and shall satisfy and discharge the liability for principal on this Note to the extent of the sum represented by such check or wire transfer. Permitted Assigns means any Holder assignment, transfer or sale of all or a portion of this Note accompanied by an Opinion of Counsel as provided for in Section 2(f) of the Securities Purchase Agreement.

This Note is subject to the following additional provisions:

1. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration or transfer or exchange, except that Holder shall pay any tax or other governmental charges payable in connection therewith. To the extent that Holder subsequently transfers, assigns, sells or exchanges any of the multiple lesser denomination notes, Holder acknowledges that it will provide the Company with Opinions of Counsel as provided for in Section 2(f) of the Securities Purchase Agreement.
2. The Company shall be entitled to withhold from all payments any amounts required to be withheld under applicable laws.
3. This Note may be transferred or exchanged only in compliance with the Securities Act of 1933, as amended ("Act"), applicable state securities laws and Sections 2(f) and 5(f) of the Securities Purchase Agreement. Any attempted transfer to a non-qualifying party shall be treated by the Company as void. Prior to due presentment for transfer of this Note, the Company and any agent of the Company may treat the person in whose name this Note is duly registered on the Company's records as the owner hereof for all other purposes, whether or not this Note be overdue, and neither the Company nor any such agent shall be affected or bound by notice to the contrary.

1

4. (a) [Intentionally Omitted].

(b) Interest on any unpaid principal balance of this Note shall be paid at the rate of 6% per annum.

(c) [Intentionally Omitted].

(d) Upon (i) a transfer of all or substantially all of the assets of the Company to any person in a single transaction or series of related transactions, (ii) a reclassification, capital reorganization (excluding an increase in authorized capital) or other change or exchange of outstanding shares of the Common Stock, other than a forward or reverse stock split or stock dividend, or (iii) any consolidation or merger of the Company with or into another person or entity in which the Company is not the surviving entity (other than a merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock solely into shares of Common Stock) (each of items (i), (ii) and (iii) being referred to as a "Sale Event"), then, in each case, the Company shall, upon request of the Holder, redeem this Note in cash for 100% of the principal amount, plus accrued but unpaid interest through the date of redemption, or at the election of the Holder, such Holder may convert the unpaid principal amount of this Note (together with the amount of accrued but unpaid interest) into shares of Common Stock immediately prior to such Sale Event at the Conversion Price.

(e) Intentionally Deleted.

5. No provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, and interest on, this Note at the time, place, and rate, and in the form, herein prescribed.

6. The Company hereby expressly waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereto.

7. The Company agrees to pay all costs and expenses, including reasonable attorneys' fees and expenses, which may be incurred by the Holder in collecting any amount due under this Note.

8. If one or more of the following described "Events of Default" shall occur:

(a) The Company shall default in the payment of principal or interest on this Note or any other note issued to the Holder by the Company; or

(b) Any of the representations or warranties made by the Company herein or in any certificate or financial or other written statements heretofore or hereafter furnished by or on behalf of the Company in connection with the execution and delivery of this Note, or the Securities Purchase Agreement under which this Note was issued shall be false or misleading in any respect; or

(c) The Company shall fail to perform or observe, in any respect, any covenant, term, provision, condition, agreement or obligation of the Company under this Note or any other note issued to the Holder; or

(d) The Company shall (1) become insolvent (which does not include a "going concern opinion"); (2) admit in writing its inability to pay its debts generally as they mature; (3) make an assignment for the benefit of creditors or commence proceedings for its dissolution; (4) apply for or consent to the appointment of a trustee, liquidator or receiver for its or for a substantial part of its property or business; (5) file a petition for bankruptcy relief, consent to the filing of such petition or have filed against it an involuntary petition for bankruptcy relief, all under federal or state laws as applicable; or

(e) A trustee, liquidator or receiver shall be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or

(f) Any governmental agency or any court of competent jurisdiction at the instance of any governmental agency shall assume custody or control of the whole or any substantial portion of the properties or assets of the Company; or

(g) One or more money judgments, writs or warrants of attachment, or similar process, in excess of fifty thousand dollars (\$50,000) in the aggregate, shall be entered or filed against the Company or any of its properties or other assets and shall remain unpaid, unvacated, unbonded or unstayed for a period of fifteen (15) days or in any event later than five (5) days prior to the date of any proposed sale thereunder; or

(h) Defaulted on or breached any term of any other note of similar debt instrument into which the Company has entered and failed to cure such default within the appropriate grace period; or

(i) The Company shall have its Common Stock delisted from an exchange (including the OTC Markets exchange) or, if the Common Stock trades on an exchange, then trading in the Common Stock shall be suspended for more than ten (10) consecutive days or ceases to file its 1934 Act reports with the SEC;

(j) Intentionally Deleted

(k) Intentionally Deleted

(l) Intentionally Deleted.

(m) The Company shall be delinquent in its periodic report filings with the Securities and Exchange Commission; or

(n) Intentionally Deleted.

Then, or at any time thereafter, unless cured within five (5) days, and in each and every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not be deemed to be a waiver of any subsequent default) at the option of the Holder and in the Holder's sole discretion, the Holder may consider this Note immediately due and payable, without presentment, demand, protest or (further) notice of any kind (other than notice of acceleration), all of which are hereby expressly waived, anything herein or in any note or other instruments contained to the contrary notwithstanding, and the Holder may immediately, and without expiration of any period of grace, enforce any and all of the Holder's rights and remedies provided herein or any other rights or remedies afforded by law. Upon an Event of Default, interest shall accrue at a default interest rate of 18% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law.

If the Holder shall commence an action or proceeding to enforce any provisions of this Note, including, without limitation, engaging an attorney, then if the Holder prevails in such action, the Holder shall be reimbursed by the Company for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

9. In case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

10. Neither this Note nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the Company and the Holder.

11. Intentionally Deleted.

12. Intentionally Deleted.

13. Intentionally Deleted.

14. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable provision shall automatically be revised to equal the maximum rate of interest or other amount deemed interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it will not seek to claim or take advantage of any law that would prohibit or forgive the Company from paying all or a portion of the principal or interest on this Note.

15. This Note shall be governed by and construed in accordance with the laws of New York applicable to contracts made and wholly to be performed within the State of New York and shall be binding upon the successors and assigns of each party hereto. The Holder and the Company hereby mutually waive trial by jury and consent to exclusive jurisdiction and venue in the courts of the State of New York or in the Federal courts sitting in the county or city of New York. This Agreement may be executed in counterparts, and the facsimile transmission of an executed counterpart to this Agreement shall be effective as an original.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by an officer thereunto duly authorized.

Dated: 7/13/2021

DARKPULSE, INC.

By: /s/ Dennis M. O'Leary

Name: Dennis M. O'Leary

Title: CEO

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the “Agreement”), dated as of July 14, 2021 by and between **DarkPulse, Inc.**, a Delaware corporation, with headquarters located 1345 Ave of the Americas, 2nd Floor, New York, NY 10105 (the “Company”), and **GS CAPITAL PARTNERS, LLC**, a New York limited liability company, with its address at 30 Washington Street, Suite 5L, Brooklyn, NY 11201 (the “Buyer”).

WHEREAS:

A. The Company and the Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “1933 Act”);

B. Buyer desires to purchase and the Company desires to issue and sell, upon the terms and conditions set forth in this Agreement a 6% note of the Company, in the form attached hereto as Exhibit A, in the aggregate principal amount of \$2,000,000.00 (together with any note(s) issued in replacement thereof or as a dividend thereon or otherwise with respect thereto in accordance with the terms thereof, the “Note”). The Note shall contain an original issue discount of \$20,000.00, such that the purchase price of the Note shall be \$1,980,000.00; and

C. The Buyer wishes to purchase, upon the terms and conditions stated in this Agreement, such principal amount of Note as is set forth immediately below its name on the signature pages hereto.

NOW THEREFORE, the Company and the Buyer hereby agree as follows:

1. Purchase and Sale of Note.

a. Purchase of Note. On the Closing Date (as defined below), the Company shall issue and sell to the Buyer and the Buyer agrees to purchase from the Company such principal amount of Note as is set forth immediately below the Buyer’s name on the signature pages hereto.

b. Form of Payment. On the Closing Date (as defined below), (i) the Buyer shall pay the purchase price for the Note to be issued and sold to it at the Closing (as defined below) (the “Purchase Price”) by wire transfer of immediately available funds to the Company, in accordance with the Company’s written wiring instructions, against delivery of the Note in the principal amount equal to the Purchase Price as is set forth immediately below the Buyer’s name on the signature pages hereto, and (ii) the Company shall deliver such duly executed Note on behalf of the Company, to the Buyer, against delivery of such Purchase Price.

c. Closing Date. There shall be two closings aggregating the purchase price of \$1,980,000 for the Note. The date and time of the first closing of the Note pursuant to this Agreement (the “First Closing”) shall be on or around July 14, 2021, in the amount of \$990,000. The second closing in the amount of \$990,000 (the “Second Closing”) shall occur on or about two weeks from the First Closing.

2. Buyer’s Representations and Warranties. The Buyer represents and warrants to the Company that:

a. Investment Purpose. As of the date hereof, the Buyer is purchasing the Note (“Securities”) for its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the 1933 Act; provided, however, that by making the representations herein, the Buyer does not agree to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act.

b. Accredited Investor Status. The Buyer is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D (an “Accredited Investor”).

c. Reliance on Exemptions. The Buyer understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Buyer’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities.

d. Information. The Buyer and its advisors, if any, have been, and for so long as the Note remain outstanding will continue to be, furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by the Buyer or its advisors. The Buyer and its advisors, if any, have been, and for so long as the Note remain outstanding will continue to be, afforded the opportunity to ask questions of the Company. Notwithstanding the foregoing, the Company has not disclosed to the Buyer any material nonpublic information and will not disclose such information unless such information is disclosed to the public prior to or promptly following such disclosure to the Buyer. Neither such inquiries nor any other due diligence investigation conducted by Buyer or any of its advisors or representatives shall modify, amend or affect Buyer’s right to rely on the Company’s representations and warranties contained in Section 3 below. The Buyer understands that its investment in the Securities involves a significant degree of risk. The Buyer is not aware of any facts that may constitute a breach of any of the Company’s representations and warranties made herein.

e. Governmental Review. The Buyer understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

f. Transfer or Re-sale. The Buyer understands that (i) the sale or re-sale of the Securities has not been and is not being registered under the 1933 Act or any applicable state securities laws, and the Securities may not be transferred unless (a) the Securities are sold pursuant to an effective registration statement under the 1933 Act, (b) the Buyer shall have delivered to the Company, at the cost of the Buyer, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in comparable transactions to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration, which opinion shall be accepted by the Company, (c) the Securities are sold or transferred to an “affiliate” (as defined in Rule 144 promulgated under the 1933 Act (or a successor rule) (“Rule 144”)) of the Buyer who agrees to sell or otherwise transfer the Securities only in accordance with this Section 2(f) and who is an Accredited Investor, (d) the Securities are sold pursuant to Rule 144, or (e) the Securities are sold pursuant to Regulation S under the 1933 Act (or a successor rule) (“Regulation S”), and the Buyer shall have delivered to the Company, at the cost of the Buyer, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in corporate transactions, which opinion shall be accepted by the Company; (ii) any sale of such Securities made in reliance on Rule 144 may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any re-sale of such Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register such Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (in each case). Notwithstanding the foregoing or anything else contained herein to the contrary, the Securities may be pledged as collateral

g. Legends. The Buyer understands that the Note may bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such Securities):

“NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE 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.”

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of any Security upon which it is stamped, if, unless otherwise required by applicable state securities laws, (a) such Security is registered for sale under an effective registration statement filed under the 1933 Act or otherwise may be sold pursuant to Rule 144 or Regulation S without any restriction as to the number of securities as of a particular date that can then be immediately sold, or (b) such holder provides the Company with an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Security may be made without registration under the 1933 Act, which opinion shall be accepted by the Company so that the sale or transfer is affected. The Buyer agrees to sell all Securities, including those represented by a certificate(s) from which the legend has been removed, in compliance with applicable prospectus delivery requirements, if any. In the event that the Company does not accept the opinion of counsel provided by the Buyer with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 or Regulation S, within 2 business days, it will be considered an Event of Default under the Note.

h. Authorization; Enforcement. This Agreement has been duly and validly authorized. This Agreement has been duly executed and delivered on behalf of the Buyer, and this Agreement constitutes a valid and binding agreement of the Buyer enforceable in accordance with its terms.

i. Residency. The Buyer is a resident of the jurisdiction set forth immediately below the Buyer's name on the signature pages hereto.

j. Manipulation of Price. The Buyer has not, and to its knowledge no one acting on its behalf has: (i) taken, directly or indirectly, any action designed to cause or to result, or that could reasonably be expected to cause or result, in the stabilization or manipulation of the price of any security of the Company; (ii) bid for, purchased, or paid any compensation for soliciting purchases of, any stock in the open market; or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

k. No Shorting. Buyer and its affiliates shall be prohibited from engaging directly or indirectly in any short selling or hedging transactions with respect to any securities of the Company while this Note is outstanding.

3. Representations and Warranties of the Company. The Company represents and warrants to the Buyer that:

a. Organization and Qualification. The Company and each of its subsidiaries, if any, is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted.

b. Authorization; Enforcement. (i) The Company has all requisite corporate power and authority to enter into and perform this Agreement, the Note and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of this Agreement, the Note by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Note has been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Agreement and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Note, each of such instruments will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

c. Intentionally Deleted

d. Intentionally Deleted

e. No Conflicts. The execution, delivery and performance of this Agreement, the Note by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) conflict with or result in a violation of any provision of the Certificate of Incorporation or By-laws, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Company or any of its subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a material adverse effect). All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof. The Company is not in violation of the listing requirements of the OTC Marketplace (the "OTC Markets") and does not reasonably anticipate that the Common Stock will be delisted by the OTC MARKETS in the foreseeable future, nor are the Company's securities "chilled" by FINRA. The Company and its subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

f. Absence of Litigation. Except as disclosed in the Company's public filings, there is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its subsidiaries, threatened against or affecting the Company or any of its subsidiaries, or their officers or directors in their capacity as such, that could have a material adverse effect. Schedule 3(f) contains a complete list and summary description of any pending or, to the knowledge of the Company, threatened proceeding against or affecting the Company or any of its subsidiaries,

without regard to whether it would have a material adverse effect. The Company and its subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

g. Acknowledgment Regarding Buyer's Purchase of Securities. The Company acknowledges and agrees that the Buyer is acting solely in the capacity of arm's length purchasers with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that the Buyer is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby and any statement made by the Buyer or any of its respective representatives or agents in connection with this Agreement and the transactions contemplated hereby is not advice or a recommendation and is merely incidental to the Buyer's purchase of the Securities. The Company further represents to the Buyer that the Company's decision to enter into this Agreement has been based solely on the independent evaluation of the Company and its representatives.

h. No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act of the issuance of the Securities to the Buyer. The issuance of the Securities to the Buyer will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any shareholder approval provisions applicable to the Company or its securities.

i. Title to Property. The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in Schedule 3(i) or such as would not have a material adverse effect. Any real property and facilities held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as would not have a material adverse effect.

j. Bad Actor. No officer or director of the Company would be disqualified under Rule 506(d) of the Securities Act as amended on the basis of being a "bad actor" as that term is established in the September 19, 2013 Small Entity Compliance Guide published by the Securities and Exchange Commission.

k. Breach of Representations and Warranties by the Company. If the Company breaches any of the representations or warranties set forth in this Section 3, and in addition to any other remedies available to the Buyer pursuant to this Agreement, it will be considered an Event of Default under the Note.

4. COVENANTS.

a. Expenses. At the Closing, the Company shall reimburse Buyer for expenses incurred by them in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the other agreements to be executed in connection herewith ("Documents"), including, without limitation, reasonable attorneys' and consultants' fees and expenses, transfer agent fees, fees for stock quotation services, fees relating to any amendments or modifications of the Documents or any consents or waivers of provisions in the Documents, fees for the preparation of opinions of counsel, escrow fees, and costs of restructuring the transactions contemplated by the Documents. When possible, the Company must pay these fees directly, otherwise the Company must make immediate payment for reimbursement to the Buyer for all fees and expenses immediately upon written notice by the Buyer or the submission of an invoice by the Buyer.

b. Listing. The Company will obtain and, so long as the Buyer owns any of the Securities, maintain the listing and trading of its Common Stock on the OTC MARKETS or any equivalent replacement exchange, the Nasdaq National Market ("Nasdaq"), the Nasdaq SmallCap Market ("Nasdaq SmallCap") or the New York Stock Exchange ("NYSE"), and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Financial Industry Regulatory Authority ("FINRA") and such exchanges, as applicable. The Company shall promptly provide to the Buyer copies of any notices it receives from the OTC MARKETS and any other exchanges or quotation systems on which the Common Stock is then listed regarding the continued eligibility of the Common Stock for listing on such exchanges and quotation systems.

c. Corporate Existence. So long as the Buyer beneficially owns any Note, the Company shall maintain its corporate existence and shall not sell all or substantially all of the Company's assets, except in the event of a merger or consolidation or sale of all or substantially all of the Company's assets, where the surviving or successor entity in such transaction (i) assumes the Company's obligations hereunder and under the agreements and instruments entered into in connection herewith and (ii) is a publicly traded corporation whose Common Stock is listed for trading on the OTC MARKETS, Nasdaq, Nasdaq SmallCap or NYSE.

d. No Integration. The Company shall not make any offers or sales of any security (other than the Securities) under circumstances that would require registration of the Securities being offered or sold hereunder under the 1933 Act or cause the offering of the Securities to be integrated with any other offering of securities by the Company for the purpose of any stockholder approval provision applicable to the Company or its securities.

e. Filings. The Company shall include the Note in its next scheduled SEC filing whether that shall be a 10-Q or a 10-K.

f. Breach of Covenants. If the Company breaches any of the covenants set forth in this Section 4, and in addition to any other remedies available to the Buyer pursuant to this Agreement, it will be considered an Event of Default under the Note.

5. Governing Law; Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of New York or in the federal courts located in the state and county of New York. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Company and Buyer waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

b. Counterparts; Signatures by Facsimile. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

c. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

6

d. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

e. Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the majority in interest of the Buyer.

f. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, (iv) via electronic mail or (v) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received) or delivery via electronic mail, or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Company, to:
DarkPulse, Inc.
1345 Ave of the Americas, 2nd Floor
New York, NY 10105
Attn: Dennis M. O'Leary

If to the Buyer:
GS CAPITAL PARTNERS, LLC
30 Washington Street
Suite 5L,
Brooklyn, NY 11201
Attn: Gabe Sayegh

Each party shall provide notice to the other party of any change in address.

g. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor the Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, the Buyer may assign its rights hereunder to any person that purchases Securities in a private transaction from the Buyer or to any of its "affiliates," as that term is defined under the 1934 Act, without the consent of the Company.

7

h. Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

i. Survival. The representations and warranties of the Company and the agreements and covenants set forth in this Agreement shall survive the closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of the Buyer. The Company agrees to indemnify and hold harmless the Buyer and all their officers, directors, employees and agents for loss or damage arising as a result of or related to any breach or alleged breach by the Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

j. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

k. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

l. Remedies. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Agreement will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Agreement, that the Buyer shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Agreement and to enforce specifically the terms and provisions hereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, the undersigned Buyer and the Company have caused this Agreement to be duly executed as of the date first above written.

Dark Pulse, Inc.

By: /s/ Dennis M. O'Leary 7/13/2021
Name: Dennis M. O'Leary
Title: CEO

GS CAPITAL PARTNERS, LLC

By: /s/ Gabe Sayegh
Name: Gabe Sayegh
Title: Manager

AGGREGATE SUBSCRIPTION AMOUNT: \$2,000,000.00

Aggregate Principal Amount of Notes:

Aggregate Purchase Price:

First Closing: \$1,000,000.00 less \$10,000.00 in original issue discount.

Second Closing: \$1,000,000.00 less \$10,000.00 in original issue discount.

CONSULTING AGREEMENT

This Consulting Agreement (the “Agreement”) dated this 22nd day of July, 2021 between DarkPulse, Inc., a Delaware corporation doing business as DarkPulse, Inc. (the “Company”) and Rick Gibson (the “Consultant”).

BACKGROUND:

- A. The Company is of the opinion that the Consultant has the necessary qualifications, experience and abilities to provide services to the Company.
- B. Consultant agrees to provide such services to the Company on the terms and conditions set out in this agreement.

IN CONSIDERATION OF the foregoing recitals and of the following covenants the Company and the Consultant (individually the “Party” and collectively the “Parties”) hereby agree:

Services Provided

- 1. Company agrees to engage Consultant to act as Company’s Director, Strategic Initiatives, and provide the Company with services (“the Services”) befitting the position.

Term of Agreement

- 2. This Agreement is effective as of July 22, 2021 and will continue for 24 months, or otherwise mutually modified by the Parties.

Termination

- 3. Either Party may terminate this Agreement immediately in its sole and absolute discretion. Consultant will be entitled to payment for full terms of the contract. Company will be entitled to receive all Work Product completed or in progress as of the date of termination or cancellation. Company will have no other liability arising out of termination.

Compensation

- 4. For the Service Provided Consultant will be compensated in US dollars as follows:
 - a. A monthly fee of \$5,000.00 cash and \$5,000.00 in company stock options. Options will be calculated on the monthly anniversary date at market price and have a 3-year term.
 - b. DPLS retains right of first refusal to purchase options from consultant.

Expenses

- 2. Consultant will only be reimbursed for reasonable expenses pre-approved by the Company in writing.

Confidentiality

- 3. Confidential information (the “Confidential Information”) refers to any data or information relating to the business of the Company which would reasonably be considered to be proprietary to the Company, that is not generally known in the industry of the Company, and the release of which could reasonably be expected to cause harm to the Company.
- 4. Consultant agrees that they will not disclose, divulge, reveal, report, or use for any purpose any Confidential Information which the Consultant has obtained, except as authorized by the Company. This obligation will survive indefinitely upon termination of this agreement.

Non-Competition

- 5. Other than with the express written consent of Company, which will not be unreasonably withheld, Consultant will not during the continuance of this agreement or within 1 year after termination be directly or indirectly involved with a business which is in direct competition with the Company, or divert or attempt to divert any business from the Company

Non-Solicitation

- 6. Consultant agrees that during the term of this agreement and for a period of 1 year after termination Consultant will not in any way directly or indirectly interfere with or disrupt the Company’s relationship with its employees or service providers.

Ownership of Materials and Intellectual Property

- 7. All intellectual property and related materials (the “IP”) including any related work in progress that is developed or produced under this agreement will be the sole property of the Company and its use will not be restricted in any manner.

Independent Contractor

- 8. It is expressly agreed that Consultant is acting as an independent contractor and not as an employee.

Notices

- 9. All notices and other communications shall be given in writing and delivered to the Parties as follows:

To Company:	DarkPulse, Inc. 1345 Avenue of the Americas 2nd Floor New York, NY 10105 doleary@DarkPulse.com 1.866.204.6703 (fax)
To Consultant:	Rick Gibson 5930 N. Moccasin Trail Tucson AZ 85750 rick@hotventures.com 520-661.6797

Indemnification

- Each party agrees to indemnify, defend and hold harmless the other Party against all claims, losses, liabilities and demands either Party may suffer arising out of: any breach of the terms of this Agreement; the performance of the Services; and any acts or omissions of either Party hereunder.

Modification

- Any amendment or modification or additional obligation assumed by either party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or its authorized representative.

Assignment

- No rights or interests in the Agreement will be assigned by Consultant (including the hiring of subcontractors to perform any part of Services) without the prior written consent of Company.

Entire Agreement

- It is agreed that there is no representation, warranty, collateral agreement or condition affecting this agreement except as expressly provided in this agreement

Severability

- In the event that any party, article, section, paragraph, or clause of this Agreement shall be held to be indefinite, invalid, or otherwise unenforceable, the entire Agreement shall not fail on account thereof, and the balance of the Agreement shall continue in full force and effect.

Waiver

- No waiver of any provision of this Agreement or any right or obligation of a party will be effective unless in writing, signed by the parties. The failure of either party to enforce a right will not constitute a waiver.

Governing Law

- This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without regard to the choice of law rules therein, and each of the parties hereby consent to exclusive personal jurisdiction in the state and federal courts of New York.

IN WITNESS WHEREOF the parties, intending to be legally bound, have caused this Agreement to be executed on the dates set forth below.

DarkPulse, Inc.

Rick Gibson Consultant.

/s/ Dennis O'Leary

/s/ Rick Gibson

By: Dennis O'Leary

Its: Chief Executive Officer

Date: 7/22/21

Date: 7/23/21

Energy and Industrial Advisory Partners (EIAP)
1210 W Clay, Suite 3,
Houston, TX 77019

August 03, 2021
Reference: 00518

DarkPulse Inc.
New York

USA
1345 Ave of the Americas,
2nd Floor, New York, NY 10105

For the Attention of: Dennis O’Leary

Dear Dennis,

PROPOSED M&A SUPPORT – PROJECT MOORE

Energy & Industrial Advisory Partners, LLC (“**EIAP**”) is pleased to provide this letter (“**Engagement Letter**”) to DarkPulse Inc. and any of its affiliates and/or shareholders (the “**Client**”) which sets out the proposed terms under which EIAP will act under an assignment (“**Assignment**”), as an advisor to the Client in the proposed transaction for agreed target company (“**Company**”) or any of its subsidiaries and/or the whole or any part of its or their business or assets (the “**Transaction**”). Set forth in this Engagement Letter is an outline of the scope of EIAP’s activities, compensation and other related matters.

Scope of Work

EIAP will assist DarkPulse and its nominated advisors in relation to the proposed transaction. EIAP’s work will include, where appropriate, the following:

- **Due Diligence**
 - o **Financial Due Diligence**
 - Quality of Earnings – If necessary, assist DarkPulse in the engagement of a QoE provider in the UK.
 - Accounting
 - Diligence accounting structures/systems. Understand/forecast costs and process.
 - CAPEX assessment
 - Potential underinvestment
 - Ongoing CAPEX needs
 - Working Capital Assessment
 - o **Legal Due Diligence (EIAP to provide introductions to various lawyers in the UK to be retained) and assist in project management.**
 - Deal related

- Contracts
 - Ownership, legal documentation, titles, HR, IP, Insurance, other liabilities check, company legal structure.
 - Needed reps and warranties (is reps and warranties insurance needed?).
 - Sale Agreement.
- o **Operational Due Diligence**
 - Commercial impact of legacy and new contracts in conjunction with legal advisors
 - Assess synergies (both cost and revenue) with DarkPulse.
 - Understand potential for DarkPulse to utilize existing Company sales channel’s to accelerate deployment of the company’s sensing technology, drones, and other IP.
 - What are the near-term drivers of immediate value creation?
 - Technology
 - Operational improvements.
 - Opportunities for systems improvements.
 - Forecasting.
 - Sales / Route to Market
 - CRM
 - Sales structure, resources etc.
 - Other potential sales opportunities / initiatives
 - Insurance
- Advising the Client and agreeing a general strategy for the acquisition process.
- Assisting the Client in accessing and evaluation of the contents of the data room; coordination of the question and answer process; and, responses to further due diligence requests.
- Assisting the Client in instructing and evaluating any reciprocal due diligence it may require to undertake as a consequence of any proposed amendment by the seller of the transaction structure.
- Project managing the transaction through to completion.

Project Team

EIAP will assign a team led by Sean Shafer and Cameron Lynch, Managing Partners, to carry out the Assignment. The team will draw as necessary on support from other partners and executives in our New York and Houston offices.

Compensation

1. **Retainer**

EIAP will receive a monthly Retainer of US\$10,000 (ten thousand US dollars) per month payable upon receipt of invoice. This is exclusive of any applicable sales tax. In the event of a successful completion as a result of EIAPs involvement, EIAP agrees to deduct the total retainer fee from the Contingent Fee.

2. **Consulting Bonus**

EIAP will receive a Consulting Bonus Fee of US\$350,000 (three hundred and fifty thousand US dollars), payable upon completion of a transaction for the business.

2

3. **Expenses**

Out of pocket expenses, reasonably incurred by EIAP in relation to the Assignment will be billed and reimbursed periodically by the Client throughout the Assignment. EIAP will seek prior written agreement from the Client prior to incurring any out of pocket expenses.

Should EIAP's work scope be materially extended during the course of this Assignment EIAP and the Client, acting reasonably, will agree as soon as practical, variations to this Engagement Letter and an adjustment to the Fees appropriate for the additional work scope agreed.

Terms and Exclusivity

The Assignment may be terminated, with or without cause, by DarkPulse or EIAP upon ten days' written prior notice thereof to the other party, but any such termination shall not affect any terms or conditions applying to the Assignment having, intended to have, or capable of giving, effect post termination including, without limitations, DarkPulse's obligation, i) to pay any expenses incurred prior to the date of termination and any Consulting Bonus (under the following paragraphs), and ii) to indemnify EIAP and certain related persons and entities as provided for in the Appendix to this letter ("Appendix").

If (a) during the term of the Assignment, or (b) within two years following the date of the Assignment's termination by DarkPulse (provided that such two year period shall be extended by the same period of time that DarkPulse takes to settle in full all fees, expenses and/or outlays due or to become due to EIAP as at the date of the Assignment's termination), the Transaction, or one involving the Client, the Company or any of its subsidiaries or its or their respective businesses or assets, wholly or in part, substantially similar to the Transaction, is agreed or is negotiated by or on behalf of the Client or any related entity and is ultimately concluded (whether or not within such two year period), then DarkPulse shall pay the Consulting Bonus at the completion of such Transaction to the extent provided herein.

No advice rendered by EIAP, whether formal or informal, nor any documents or reports produced by EIAP, may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to without EIAP's prior written consent. The copyright in the content, layout and typographical arrangement of all such documents or reports belongs to EIAP or relevant third party providers to EIAP, as the case may be and there is no transfer of title or ownership of same to the Client. In addition, EIAP may not be otherwise referred to without EIAP's prior written consent. If requested by EIAP, the Client shall include a mutually acceptable reference to EIAP in any press release or other public announcement made by the Client regarding the matters described in this Engagement Letter. It is understood that EIAP will seek to prepare tombstones and similar marketing materials post-closing which acknowledge EIAP's role in the Transaction.

Assignment Terms

This Assignment will be subject to the additional engagement terms set out in the Appendix to this Engagement Letter. The Appendix should be taken to form a component part of this Engagement Letter.

Commitment

We hope that you will find this proposal acceptable and look forward to working with you on the Transaction. If you wish to proceed on these terms, please accept by countersigning and returning the enclosed duplicate copy of this letter.

3

Yours faithfully,

Sean Shafer and Cameron Lynch

Managing Partners

Energy & Industrial Advisory Partners, LLC

We hereby accept the foregoing terms and confirm that you are authorized on behalf of the Company and its shareholders to proceed with the Assignment in accordance with those terms.

/s/ Denis O'Leary
Name: dennis oleary

8-3-2021
Date

Position: chairman, CEO, CFO

ENERGY AND INDUSTRIAL ADVISORY PARTNERS LLC

TERMS AND CONDITIONS

These Terms and Conditions ("Terms and Conditions") are agreed to in connection with your ("Client's") engagement of Energy and Industrial Advisory Partners LLC ("EIAP") to provide to Client research and analysis services (the "Services"), as detailed below. This agreement (the "Agreement") is comprised of three documents, namely 1) these Terms and Conditions; 2) the attached Scope of Work ("SoW"), and; 3) the attached compensation ("Compensation").

The parties' mutual execution of these Terms and Conditions shall constitute an acceptance of all provisions contained herein and in the attached SoW and Compensation. In the event that any provision contained in the SoW or Compensation conflicts with a provision of the Terms and Conditions, the SoW or Compensation shall control.

THEREFORE, the parties agree as follows:

1. SERVICES

EIAP shall perform the Services, which shall substantially conform to those described in the SoW. EIAP shall deliver to the Client the deliverables in accordance with the terms of the SoW (the "Work Product").

2. PAYMENT

2.1 Compensation. As EIAP's sole compensation for the performance of the Services, the Client will pay EIAP in accordance with the terms set forth in the Engagement Letter.

2.2 Expenses. Client shall reimburse EIAP for all reasonable and customary out-of-pocket travel, lodging and related expenses incurred by EIAP's performance of the Services. At Client's request, EIAP will furnish Client with copies of receipts and other customary documentation for any expenses for which EIAP requests reimbursement.

2.3 Payment Terms. All fees and other amounts set forth in the Engagement Letter are stated in and are payable in U.S. dollars, and shall be payable according to the terms contained therein. In the event that Client, in good faith, disputes a payment, the parties will use their respective commercially reasonable efforts to promptly resolve the matter. Notwithstanding the foregoing, including the timing of delivery of any invoice or request for payment, Client shall pay in full any undisputed amounts no later than 30 days after the completion by EIAP of all services rendered pursuant to this Agreement.

3. RELATIONSHIP OF THE PARTIES

3.1 Independent Contractor. EIAP is an independent contractor and nothing in this Agreement will be construed as establishing an employment or agency relationship between EIAP and Client. EIAP has no authority to bind Client by contract or otherwise. EIAP will perform Services under the general direction of Client, but EIAP will determine, in EIAP's sole discretion, the manner and means by which Services are accomplished, subject to the requirement that EIAP will at all times comply with applicable law.

3.2 Taxes and Benefits. EIAP will report to all applicable government agencies as income all compensation received by EIAP pursuant to this Agreement. EIAP will be solely responsible for payment of all withholding taxes, social security, workers' compensation, unemployment and disability insurance or similar items required by any government agency. EIAP will not be entitled to any benefits paid or made available by Client to its employees, including, without limitation, any vacation or illness payments, or to participate in any plans, arrangements or distributions made by Client pertaining to any bonus, stock option, profit sharing, insurance or similar benefits. EIAP will indemnify and hold Client harmless from and against all damages, liabilities, losses, penalties, fines, expenses and costs (including reasonable fees and expenses of attorneys and other professionals) arising out of or relating to any obligation imposed by law on Client to pay any withholding taxes, social security, unemployment or disability insurance or similar items in connection with compensation received by EIAP pursuant to this Agreement.

3.3 Liability Insurance. EIAP acknowledges that Client will not carry any liability insurance on behalf of EIAP. EIAP will maintain in force adequate liability insurance to protect EIAP from claims of personal injury (or death) or tangible or intangible property damage (including loss of use) that arise out of any act or omission of EIAP.

5. CONFIDENTIAL INFORMATION

For purposes of this Agreement, "**Confidential Information**" means and will include: (i) any information, materials or knowledge regarding Client and its business, financial condition, products, programming techniques, customers, suppliers, technology or research and development that is disclosed to EIAP or to which EIAP has access in connection with performing Services; (ii) the EIAP Work Product; and (iii) the terms and conditions of this Agreement. Confidential Information will not include any information that: (a) is or becomes part of the public domain through no fault of EIAP; (b) was rightfully in EIAP's possession at the time of disclosure, without restriction as to use or disclosure; or (c) EIAP rightfully receives from a third party who has the right to disclose it and who provides it without restriction as to use or disclosure. At all times, both during EIAP's engagement by Client as an independent contractor and after its termination, and to the fullest extent permitted by law, EIAP agrees to hold all Confidential Information in strict confidence, not to use it in any way, commercially or otherwise, except in performing Services, and not to disclose it to others. EIAP further agrees to take all actions reasonably necessary to protect the confidentiality of all Confidential Information. Nothing in this Section 5 or otherwise in this Agreement shall limit or restrict in any way EIAP's immunity from liability for disclosing Client's trade secrets as specifically permitted by 18 U.S. Code Section 1833.

6. WARRANTIES

6.1 Performance Standard. EIAP represents and warrants that Services will be performed in a thorough and professional manner, consistent with high professional and industry standards by individuals with the requisite training, background, experience, technical knowledge and skills to perform Services.

6.2 Non-infringement. EIAP represents and warrants that the EIAP Work Product will not infringe, misappropriate or violate the rights of any third party, including, without limitation, any Intellectual Property Rights or any rights of privacy or rights of publicity, except to the extent any portion of the EIAP Work Product is created, developed or supplied by Client or by a third party on behalf of Client.

7. INDEMNITY

1) EIAP will defend, indemnify and hold Client harmless from and against all claims, damages, liabilities, losses, expenses and costs (including reasonable fees and expenses of attorneys and other professionals) arising out of or resulting from

(a) any action by a third party against Client that is based on a claim that any Services performed under this Agreement, or the results of such Services (including any EIAP Work Product), or Client's use thereof, infringe, misappropriate or violate such third party's Intellectual Property Rights; and

(b) any action by a third party against Client that is based on any act or omission of EIAP and that results in: (i) personal injury (or death) or tangible or intangible property damage (including loss of use); or (ii) the violation of any statute, ordinance, or regulation.

(c) any action by a third party against Client that is based on any act or omission of EIAP that is directly attributable to EIAP's gross negligence or willful misconduct.

2) Client will indemnify and hold EIAP harmless, its employees, owners, agents and representatives for any loss, liability, damage, or expense, including costs of investigation, defense, and reasonable attorneys' fees suffered by EIAP in connection with Client's negligent or criminal use of the "Work Product," or in connection with Client's use of the Work Product that results in a material breach of these Terms and Conditions.

8. TERM & TERMINATION

8.1 Term. This Agreement will commence on the date of mutual execution of this Agreement (the "Effective Date") and, unless terminated earlier in accordance with the terms of this Agreement, will remain in force and effect for as long as EIAP is performing Services pursuant to the Scope of Work or a subsequently executed scope of work

8.2 Termination for Breach. Either party may terminate this Agreement (including the SoW and Fee Supplement) if the other party breaches any material term of this Agreement and fails to cure such breach within fifteen (15) days following written notice thereof from the non-breaching party.

8.3 Termination for Convenience. Either party may terminate this Agreement for convenience upon thirty (30) days following written notice thereof from the non-breaching party. EIAP shall, in the event of Client's termination for convenience, use reasonable efforts to mitigate the fees and expenses charged to Client during this thirty (30) day notice period.

8.4 Effect of Termination. Upon the expiration or termination of this Agreement for any reason: (i) EIAP will promptly deliver to Client all EIAP Work Product, including all work in progress on any EIAP Work Product not previously delivered to Client, if any; (ii) EIAP will promptly deliver to Client all Confidential Information in IAP's possession or control; and (iii) Client will pay EIAP any accrued but unpaid fees due and payable to EIAP pursuant to Section 2.

9. OWNERSHIP

1) Client acknowledges and agrees that EIAP shall have exclusive ownership of all Work Product, including (without limitation), documentation, reports, or other deliverables to written, magnetic, or other tangible form that are developed, discovered, conceived, or introduced by EIAP in the course of providing services under this Agreement. With respect to any Work Product that is delivered to Client during the performance of the Services, EIAP hereby grants Client a non-exclusive, fully paid, perpetual license to use the Work Product for its internal business purposes only. However, nothing in this Section 9 shall limit IAP's obligations under Section 5 (*Confidential Information*). Notwithstanding the foregoing, Client's (or EIAP's) transmittal of the Work Product to an interested third party shall be permitted, so long as the Client, EIAP, and the third party have executed the customary non-reliance agreement, also known as a "Non-Reliance Letter," acceptable to the parties and made expressly in connection with the Work Product.

10. LIMITATION OF LIABILITY AND DISCLAIMER

NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT FOR BODILY INJURY OF A PERSON, EIAP AND ITS OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY: (A) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; OR (B) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE AMOUNT PAID TO EIAP UNDER THIS AGREEMENT.

THE WORK PRODUCT DELIVERED TO CLIENT UNDER THIS AGREEMENT IS DONE SO PURSUANT TO THE SoW, AND IS DELIVERED "AS IS," AND FOR INFORMATIONAL PURPOSES ONLY. IT SHOULD NOT BE CONSTRUED AS LEGAL, TAX, INVESTMENT, OR FINANCIAL ADVICE. EIAP IS NOT FIDUCIARY, NOR IS EIAP MADE A FIDUCIARY BY CLIENT'S RELIANCE ON, OR USE OF, THE WORK PRODUCT. CLIENT ALONE ASSUMES ALL RESPONSIBILITY OF EVALUATING THE MERITS OF THE WORK PRODUCT AND THE RISKS ASSOCIATED WITH THE USE OF THE WORK PRODUCT.

11. NON-SOLICITATION

During Term and for a period of twelve (12) months after the expiration or termination of the Term, CLIENT shall not, and shall not authorize or permit any other person or entity to, directly or indirectly, knowingly solicit or attempt to solicit, hire or engage any person who is an employee of the EIAP without EIAP's prior written consent.

12. GENERAL PROVISIONS

12.1 Survival. The rights and obligations of the parties under Sections 2, 3.2, 3.3, 4, 5, 6.3, 6.5, 7, 8.4, and 8.5 will survive the expiration or termination of this Agreement.

12.2 Assignment. EIAP may not assign or transfer this Agreement, in whole or in part, without Client's express prior written consent. Any attempt to assign this Agreement, without such consent, will be void. Subject to the foregoing, this Agreement will bind and benefit the parties and their respective successors and assigns.

12.3 Modification. This Agreement (including the SoW and Fee Supplement) may only be modified by a writing executed by both parties.

12.4 Equitable Remedies. Because the Services are personal and unique and because EIAP will have access to Confidential Information of Client, Client will have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without having to post a bond or other consideration, in addition to all other remedies that Client may have for a breach of this Agreement at law or otherwise.

12.5 Attorney's Fees. If any action is necessary to enforce the terms of this Agreement, the substantially prevailing party will be entitled to reasonable attorneys' fees, costs and

expenses in addition to any other relief to which such prevailing party may be entitled.

12.6 Marketing. Nothing in this Agreement prevents or is meant to prevent EIAP or the Client from publicly disclosing, whether online, in print, or verbally, facts concerning the consulting relationship between EIAP and the Client, including but not limited to, name and location of the parties, duration of relationship between EIAP and the Client, and the types of services provided to Client by EIAP (and, where relevant, EIAP's role in a transaction already publicly disclosed).

12.7 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, excluding its body of law controlling conflict of laws. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts located in the Southern District of New York and the parties irrevocably consent to the personal jurisdiction and venue therein.

12.8 Severability. If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will remain in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law.

12.9 Force Majeure. If either Party fails to fulfill its obligations hereunder (other than an obligation for the payment of money), when such failure is due to an act of God, or other circumstance beyond its reasonable control, including but not limited to fire, flood, civil unrest, riot, war (declared and undeclared), pandemic, or major internet or electrical outages then said failure shall be excused for the duration of such event and for such a time thereafter as is reasonable to enable the Parties to resume performance under this Agreement.

AGREED TO BY:

Energy and Industrial Advisory Partners LLC ("EIAP")

/s/ Cameron Lynch

By: Cameron Lynch
Title: Managing Director

Date: 8/3/2021

DarkPulse, Inc.
1345 Avenue of the Americas
2nd Floor
New York, NY 10105

June 8, 2021

VIA EMAIL

J. Merlin Benner, CEO
Remote Intelligence, Limited Liability Company
2780 Hills Creek Rd, Wellsboro, Pennsylvania, 16901

Re: Letter of Intent

Dear Mr. Benner:

The purpose of this letter (this “**Letter of Intent**”) is to set forth certain nonbinding understandings and certain binding agreements by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Purchaser**”), Remote Intelligence, Limited Liability Company, a Pennsylvania limited liability company (the “**Company**”), and J. Merlin Benner, an individual (the “**Shareholder**”), as of the date shown above (the “**Effective Date**”), with respect to the acquisition of a majority ownership in the Company owned by the Shareholder on the terms set forth below. As set forth herein, each of the Purchaser, the Company, and the Shareholder, a “party,” and, together, the “parties.”

PART ONE—NONBINDING PROVISIONS

The following numbered paragraphs of this Letter of Intent (collectively, the “**Nonbinding Provisions**”) reflect our mutual understanding of the matters described in them, but each party acknowledges that the Nonbinding Provisions are not intended to create or constitute any legally binding obligation by, between, and among the Purchaser, the Company, and the Shareholder, and none of Purchaser, the Company, or the Shareholder shall have any liability to the other party with respect to the Nonbinding Provisions unless and to the extent that they are embodied in a fully integrated definitive agreement (the “**Definitive Agreement**”), and other related documents, which are prepared, authorized, executed, and delivered by, between, and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

1. COMPANY MANAGEMENT

It is contemplated that management of the Company would remain unchanged following Closing, and that all employees employed by the Company at Closing, would remain as employees of the Company following Closing at the same rates and under the same terms.

J. Merlin Benner, CEO
June 8, 2021
Page 2

2. STATUS OF PURCHASER AT CLOSING

(a) It is contemplated that prior to and at Closing the Purchaser would be current in its reporting requirements pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

(b) It is anticipated that the Purchaser would maintain the quotation of its common stock on the OTC Markets.

3. FINANCIAL STATEMENTS

It is anticipated that the Definitive Agreement may provide that the Company would be required to provide financial statements and information to comply with Item 9.01 of Form 8-K promulgated by the SEC within the extension period provided in Item 9.01(a)(4) of Form 8-K.

4. PROPOSED FORM OF AGREEMENT

The Purchaser, the Company, and the Shareholder intend promptly to begin negotiating to reach a written Definitive Agreement, containing comprehensive representations, warranties, indemnities, conditions and agreements by the parties customary to a transaction of this nature. The execution of the Definitive Agreement by the parties and their respective obligations to close the transaction will be subject to approval by the respective boards of directors of each entity and by the shareholders of the Company.

5. CONDITIONS TO PROPOSED TRANSACTION

The parties do not intend to be bound to the Nonbinding Provisions or any Provisions covering the same subject matter until the execution and delivery of the Definitive Agreement, which, if successfully negotiated, would provide that the proposed transaction would be subject to customary terms and conditions, including, but not limited to, the following:

- (a) satisfactory completion of all due diligence;
 - (b) receipt of all necessary consents and approvals of governmental bodies and others;
-

- (c) absence of pending or threatened litigation regarding the Definitive Agreement or the transactions to be contemplated thereby;
- (d) delivery of customary legal opinions, closing certificates, and other documentation;
- (e) compliance of the transaction contemplated herein with any applicable tax-free reorganization or other tax restriction, which compliance shall be mutually satisfactory to the parties hereto;
- (f) evidence at closing that the Company would have no outstanding options, warrants, or other instruments convertible into, or obligations granting rights to receive, shares of common stock of the Company, except for securities in this transaction;
- (g) the accuracy and completeness of representations and warranties of the parties customary to a transaction of this nature; and
- (h) unaudited financial statements or information disclosing the financial condition of the Company for the last two (2) completed fiscal years the most recent quarter end.

PART TWO—BINDING PROVISIONS

Upon execution by the Purchaser, the Company, and the Shareholder of this Letter of Intent or counterparts thereof, the following lettered paragraphs of this Letter of Intent (collectively, the “**Binding Provisions**”) will constitute the legally binding and enforceable agreement of the Purchaser, the Company, and the Shareholder (in consideration of the significant costs to be borne by the Purchaser, the Company, and the Shareholder in pursuing this proposed transaction and further, in consideration of their mutual undertakings as to the matters described herein).

1. NONBINDING PROVISIONS NOT ENFORCEABLE

The Nonbinding Provisions do not create or constitute any legally binding obligations among the Purchaser, the Company, and the Shareholder, and none of the Purchaser, the Company, or the Shareholder shall have any liability to the other parties with respect to the Nonbinding Provisions unless and to the extent that they are embodied in the Definitive Agreement, if one is successfully negotiated, executed and delivered by and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

2. BASIC TRANSACTION

(a) It is contemplated that the Purchaser would acquire sixty percent (60%) of the issued and outstanding voting capital stock of the Company owned by the Shareholder in exchange for Seven Million and Five Hundred Thousand (7,500,000) restricted shares of the common stock of the Purchaser (the “**Shares**”) with the Shares to be delivered to the Shareholder upon the closing of this transaction (the “**Closing**” or “**Closing Date**”) and Five Hundred Thousand Dollars (\$500,000) to be paid to the Shareholder within twelve (12) weeks of the Closing Date. The parties anticipate that the execution and closing of the Definitive Agreement would occur simultaneously. As a result of the Closing, the Company would become a subsidiary of the Purchaser.

(b) The exchange is intended to be made with the Shareholder who is believed to be an “accredited investor,” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”) and, provided that the transaction would not otherwise violate the provisions of the Securities Act or any applicable state securities laws. The shares to be issued by the Purchaser would be “restricted securities” as defined in Rule 144 under the Securities Act. An appropriate legend would be placed on the certificates representing such shares, and stop transfer orders placed against them. The Company would be required to provide adequate representations sufficient to qualify for applicable exemptions from registration. The parties intend that the Closing would occur as soon as practicable upon completion of all conditions for Closing.

(c) The structure and form of the transaction will be mutually agreeable to the parties, provided that the parties currently intend that the transaction will qualify for treatment as a tax-free transaction under the Internal Revenue Code of 1986, as amended.

3. DEFINITIVE AGREEMENT; TERM OF THIS LETTER OF INTENT

(a) The Purchaser and its counsel shall be responsible for preparing the initial draft of the Definitive Agreement. Subject to the final sentence of Paragraph 4 of the Binding Provisions, the Purchaser, the Company, and the Shareholder shall negotiate in good faith to arrive at a mutually acceptable Definitive Agreement for approval, execution, and delivery on the earliest reasonably practicable date.

(b) The Company and the Shareholder shall engage legal counsel to represent them in this acquisition transaction and the preparation of the Company documents, and to assist in the review of the Definitive Agreement.

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on the date that is sixty (60) days after the Effective Date; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

(d) The execution of this Letter of Intent by all parties shall terminate the previous letter of intent executed by the Purchaser and the Company on June 3, 2021.

4. ACCESS

The Purchaser and the Company will provide to each other full access to their current and historical books and records (excluding proprietary information) and will furnish financial and operating data and such other current or historical information with respect to their business and assets as may reasonably be requested from time to time. Each party shall accommodate and make available such information to the appropriate representatives of the other. Until the Definitive Agreement is executed by the Purchaser the Company, and the Shareholder, all parties shall keep confidential any information (unless ascertainable from public filings or other public sources) obtained either prior to, or following the date of this Letter of Intent concerning the other's operations, assets, and business, or other confidential information. It is anticipated that the Definitive Agreement would contain confidentiality provisions effective beginning on the date the agreement is executed by the Purchaser, the Company, and the Shareholder and covering confidential information provided prior to the execution of the Definitive Agreement. Neither party shall be under obligation to continue with its due diligence investigation or negotiations regarding the Definitive Agreement or to consummate the transactions contemplated by this Letter of Intent if, at any time, the results of its due diligence investigation are not satisfactory to such party for any reason in its sole discretion.

5. EXCLUSIVE DEALING

(a) During the term of this Letter of Intent, the Company and the Shareholder shall not, directly or indirectly, through any representative or otherwise, solicit, negotiate with or in any manner encourage, discuss or accept any proposal of any other person relating to the acquisition of the Company, shares of its capital stock purchased from the Company or the Shareholder, or the Company's assets or business, in whole or in part, whether through direct purchase, merger, consolidation, or other business combination (collectively, an "**Alternative Transaction**"); provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholder may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. The Company or the Shareholder will immediately notify the Purchaser regarding any contact between the Company, the Shareholder, or their respective representatives and any other person regarding any proposed Alternative Transaction or any related inquiry.

(b) In the event the Company or the Shareholder receives a proposal for an Alternative Transaction (a "**Proposal**"), the Company or the Shareholder will immediately give written notice to the Purchaser setting forth the identity of the proposed party and the price and terms of the Proposal. the Purchaser shall have the right, exercisable within the five (5) business days following receipt of such notice, to effect the Alternative Transaction on the same economic terms as those set forth in the Proposal.

(c) Notwithstanding anything to the contrary contained herein, if the Purchaser terminates the Binding Provisions pursuant to Paragraphs J(b) or J(d) of this Part Two, the exclusive dealing provisions of this Paragraph 5 shall be terminated and the Company or the Shareholder shall, immediately upon such termination, be permitted to pursue an Alternative Transaction.

6. BREAK-UP PROVISIONS

In the event that the Company or the Shareholder breaches Paragraph 5 of this Part Two and the Company or the Shareholder closes an Alternative Transaction, then, immediately upon such closing, the Company or the Shareholder shall pay to the Purchaser 10% of the total consideration (including the assumption of any liabilities of the Company), cash and non-cash paid to the Company, the Shareholder, or the Company's shareholders in the Alternative Transaction. The Definitive Agreement shall include similar break-up provisions.

7. CONDUCT OF BUSINESS

Until the Definitive Agreement has been executed and delivered by all the parties or the Binding Provisions have been terminated pursuant to Paragraph 11 of this Part Two, the Company shall conduct its business only in the ordinary course, and may not engage in any extraordinary transactions without the Purchaser's prior consent, including, without limitation:

- (a) not issuing any equity securities or options, warrants, rights, or convertible securities;
- (b) not paying any dividends or redeeming any securities; and
- (c) not borrowing any funds or incurring any debt or other obligations outside of what is existing as of the date of this Letter of Intent.

8. DISCLOSURE

Except as and to the extent required by law, without the prior written consent of the other party, neither the Purchaser, the Company, nor the Shareholder shall, and each shall direct its shareholders or representatives not to, directly or indirectly, make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of the existence of discussions regarding, a possible transaction among the parties or any of the terms, conditions or other aspects of the transaction proposed in this Letter of Intent; provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholder may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. If a party is required by law to make any such disclosure, it must first provide to the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made.

9. COSTS

Except as otherwise provided in these Binding Provisions, each party shall pay its own costs and expenses (including any broker's or finder's fees) incurred in connection with the proposed transaction.

10. CONSENTS

The Purchaser, the Company, and the Shareholder shall cooperate with each other and proceed, as promptly as is reasonably practicable, to endeavor to comply with all legal or contractual requirements for or preconditions to the execution and consummation of the Definitive Agreement.

11. TERMINATION

The Binding Provisions may be terminated:

(a) by mutual written consent of the Purchaser, the Company, and the Shareholder;

(b) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser's due diligence (a) uncovers facts concerning the Company's business or financial condition that are different than those represented to the Purchaser by the Company or the Shareholder prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Purchaser regarding the Company;

J. Merlin Benner, CEO
June 8, 2021
Page 8

(c) by the Company or the Shareholder, without any penalty to the Company or the Shareholder, in the event that either the Company's or the Shareholder's due diligence (a) uncovers facts concerning the Purchaser's business or financial condition that are different than those represented to the Company and the Shareholder by the Purchaser prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Company or the Shareholder regarding the Purchaser;

(d) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser's board of directors does not approve the execution of the Definitive Agreement, and/or the transactions contemplated hereby; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs 1, 5, 6, 8, 9, 14, and 15 of these Binding Provisions, which shall survive any such termination.

12. EXECUTION IN COUNTERPARTS

This Letter of Intent may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. COOPERATION

The Purchaser, the Company, and the Shareholder agree to cooperate and to use their respective best efforts to close the transaction contemplated in this Letter of Intent as soon as practicable after the date hereof.

14. ENTIRE AGREEMENT; AMENDMENT; ASSIGNMENT

The Binding Provisions and any Non-Disclosure Agreement between the Purchaser, the Company, and the Shareholder constitute the entire agreement among the parties, and supersede all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing among the parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the parties. This Letter of Intent is not assignable without the prior written consent of each of the Purchaser, the Company, and the Shareholder.

15. GOVERNING LAW; JURISDICTION; VENUE

This Letter shall be governed by and construed under the laws of New York without regard to principles of conflict of laws. The parties irrevocably consent to the jurisdiction and venue of the state and federal courts located in New York in connection with any action.

J. Merlin Benner, CEO
June 8, 2021
Page 9

Please sign and date this Letter of Intent in the space provided below to confirm your understanding of the terms of the Nonbinding Provisions and to confirm the mutual

binding agreements set forth in the Binding Provisions and return a signed copy to the undersigned.

Very truly yours,

THE PURCHASER

DARKPULSE, INC.

By: /s/ Dennis O'Leary
Dennis O'Leary, CEO

[Purchaser and Shareholder Signature Page to Follow]

J. Merlin Benner, CEO
June 8, 2021
Page 10

*Acknowledged as to
the Nonbinding and agreed
as to the Binding Provisions
as of the date below:*

THE COMPANY

REMOTE INTELLIGENCE,
LIMITED LIABILITY COMPANY

Date: June 8, 2021

By: /s/ J. Merlin Benner
J. Merlin Benner, CEO and Founder

THE SHAREHOLDER

Date: June 8, 2021

By: /s/ J. Merlin Benner
J. Merlin Benner, an Individual

DarkPulse, Inc.
1345 Avenue of the Americas
2nd Floor
New York, NY 10105

June 8, 2021

VIA EMAIL

J. Merlin Benner, CEO
Wildlife Specialists, LLC
2780 Hills Creek Rd, Wellsboro, Pennsylvania, 16901

Re: Letter of Intent

Dear Mr. Benner:

The purpose of this letter (this “**Letter of Intent**”) is to set forth certain nonbinding understandings and certain binding agreements by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Purchaser**”), Wildlife Specialists, LLC, a Pennsylvania limited liability company (the “**Company**”), and J. Merlin Benner, an individual (the “**Shareholder**”), as of the date shown above (the “**Effective Date**”), with respect to the acquisition of a majority ownership in the Company owned by the Shareholder on the terms set forth below. As set forth herein, each of the Purchaser, the Company, and the Shareholder, a “party,” and, together, the “parties.”

PART ONE—NONBINDING PROVISIONS

The following numbered paragraphs of this Letter of Intent (collectively, the “**Nonbinding Provisions**”) reflect our mutual understanding of the matters described in them, but each party acknowledges that the Nonbinding Provisions are not intended to create or constitute any legally binding obligation by, between, and among the Purchaser, the Company, and the Shareholder, and none of Purchaser, the Company, or the Shareholder shall have any liability to the other party with respect to the Nonbinding Provisions unless and to the extent that they are embodied in a fully integrated definitive agreement (the “**Definitive Agreement**”), and other related documents, which are prepared, authorized, executed, and delivered by, between, and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

1. **COMPANY MANAGEMENT**

It is contemplated that management of the Company would remain unchanged following Closing, and that all employees employed by the Company at Closing, would remain as employees of the Company following Closing at the same rates and under the same terms.

2. **STATUS OF PURCHASER AT CLOSING**

(a) It is contemplated that prior to and at Closing the Purchaser would be current in its reporting requirements pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

(b) It is anticipated that the Purchaser would maintain the quotation of its common stock on the OTC Markets.

3. **FINANCIAL STATEMENTS**

It is anticipated that the Definitive Agreement may provide that the Company would be required to provide financial statements and information to comply with Item 9.01 of Form 8-K promulgated by the SEC within the extension period provided in Item 9.01(a)(4) of Form 8-K.

1

4. **PROPOSED FORM OF AGREEMENT**

The Purchaser, the Company, and the Shareholder intend promptly to begin negotiating to reach a written Definitive Agreement, containing comprehensive representations, warranties, indemnities, conditions and agreements by the parties customary to a transaction of this nature. The execution of the Definitive Agreement by the parties and their respective obligations to close the transaction will be subject to approval by the respective boards of directors of each entity and by the shareholders of the Company.

5. **CONDITIONS TO PROPOSED TRANSACTION**

The parties do not intend to be bound to the Nonbinding Provisions or any Provisions covering the same subject matter until the execution and delivery of the Definitive Agreement, which, if successfully negotiated, would provide that the proposed transaction would be subject to customary terms and conditions, including, but not limited to, the following:

(a) satisfactory completion of all due diligence;

(b) receipt of all necessary consents and approvals of governmental bodies and others;

(c) absence of pending or threatened litigation regarding the Definitive Agreement or the transactions to be contemplated thereby;

(d) delivery of customary legal opinions, closing certificates, and other documentation;

(e) compliance of the transaction contemplated herein with any applicable tax-free reorganization or other tax restriction, which compliance shall be mutually satisfactory to the parties hereto;

(f) evidence at closing that the Company would have no outstanding options, warrants, or other instruments convertible into, or obligations granting rights to receive, shares of common stock of the Company, except for securities in this transaction;

- (g) the accuracy and completeness of representations and warranties of the parties customary to a transaction of this nature; and
- (h) unaudited financial statements or information disclosing the financial condition of the Company for the last two (2) completed fiscal years the most recent quarter end.

PART TWO—BINDING PROVISIONS

Upon execution by the Purchaser, the Company, and the Shareholder of this Letter of Intent or counterparts thereof, the following lettered paragraphs of this Letter of Intent (collectively, the “**Binding Provisions**”) will constitute the legally binding and enforceable agreement of the Purchaser, the Company, and the Shareholder (in consideration of the significant costs to be borne by the Purchaser, the Company, and the Shareholder in pursuing this proposed transaction and further, in consideration of their mutual undertakings as to the matters described herein).

1. NONBINDING PROVISIONS NOT ENFORCEABLE

The Nonbinding Provisions do not create or constitute any legally binding obligations among the Purchaser, the Company, and the Shareholder, and none of the Purchaser, the Company, or the Shareholder shall have any liability to the other parties with respect to the Nonbinding Provisions unless and to the extent that they are embodied in the Definitive Agreement, if one is successfully negotiated, executed and delivered by and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

2

2. BASIC TRANSACTION

(a) It is contemplated that the Purchaser would acquire sixty percent (60%) of the issued and outstanding voting capital stock of the Company owned by the Shareholder in exchange for Seven Million and Five Hundred Thousand (7,500,000) restricted shares of the common stock of the Purchaser (the “**Shares**”) with the Shares to be delivered to the Shareholder upon the closing of this transaction (the “**Closing**” or “**Closing Date**”) and Five Hundred Thousand Dollars (\$500,000) to be paid to the Shareholder within twelve (12) weeks of the Closing Date. The parties anticipate that the execution and closing of the Definitive Agreement would occur simultaneously. As a result of the Closing, the Company would become a subsidiary of the Purchaser.

(b) The exchange is intended to be made with the Shareholder who is believed to be an “accredited investor,” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”) and, provided that the transaction would not otherwise violate the provisions of the Securities Act or any applicable state securities laws. The shares to be issued by the Purchaser would be “restricted securities” as defined in Rule 144 under the Securities Act. An appropriate legend would be placed on the certificates representing such shares, and stop transfer orders placed against them. The Company would be required to provide adequate representations sufficient to qualify for applicable exemptions from registration. The parties intend that the Closing would occur as soon as practicable upon completion of all conditions for Closing.

(c) The structure and form of the transaction will be mutually agreeable to the parties, provided that the parties currently intend that the transaction will qualify for treatment as a tax-free transaction under the Internal Revenue Code of 1986, as amended.

3. DEFINITIVE AGREEMENT; TERM OF THIS LETTER OF INTENT

(a) The Purchaser and its counsel shall be responsible for preparing the initial draft of the Definitive Agreement. Subject to the final sentence of Paragraph 4 of the Binding Provisions, the Purchaser, the Company, and the Shareholder shall negotiate in good faith to arrive at a mutually acceptable Definitive Agreement for approval, execution, and delivery on the earliest reasonably practicable date.

(b) The Company and the Shareholder shall engage legal counsel to represent them in this acquisition transaction and the preparation of the Company documents, and to assist in the review of the Definitive Agreement.

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on the date that is sixty (60) days after the Effective Date; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

4. ACCESS

The Purchaser and the Company will provide to each other full access to their current and historical books and records (excluding proprietary information) and will furnish financial and operating data and such other current or historical information with respect to their business and assets as may reasonably be requested from time to time. Each party shall accommodate and make available such information to the appropriate representatives of the other. Until the Definitive Agreement is executed by the Purchaser the Company, and the Shareholder, all parties shall keep confidential any information (unless ascertainable from public filings or other public sources) obtained either prior to, or following the date of this Letter of Intent concerning the other's operations, assets, and business, or other confidential information. It is anticipated that the Definitive Agreement would contain confidentiality provisions effective beginning on the date the agreement is executed by the Purchaser, the Company, and the Shareholder and covering confidential information provided prior to the execution of the Definitive Agreement. Neither party shall be under obligation to continue with its due diligence investigation or negotiations regarding the Definitive Agreement or to consummate the transactions contemplated by this Letter of Intent if, at any time, the results of its due diligence investigation are not satisfactory to such party for any reason in its sole discretion.

3

5. EXCLUSIVE DEALING

(a) During the term of this Letter of Intent, the Company and the Shareholder shall not, directly or indirectly, through any representative or otherwise, solicit, negotiate with or in any manner encourage, discuss or accept any proposal of any other person relating to the acquisition of the Company, shares of its capital stock purchased from the Company or the Shareholder, or the Company's assets or business, in whole or in part, whether through direct purchase, merger, consolidation, or other business combination (collectively, an “**Alternative Transaction**”); provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholder may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. The Company or the Shareholder will immediately notify the Purchaser regarding any contact between the Company, the Shareholder, or their respective representatives and any other person regarding any proposed Alternative Transaction or any related inquiry.

(b) In the event the Company or the Shareholder receives a proposal for an Alternative Transaction (a “**Proposal**”), the Company or the Shareholder will immediately give written notice to the Purchaser setting forth the identity of the proposed party and the price and terms of the Proposal. the Purchaser shall have the right, exercisable within the five (5) business days following receipt of such notice, to effect the Alternative Transaction on the same economic terms as those set forth in the Proposal.

(c) Notwithstanding anything to the contrary contained herein, if the Purchaser terminates the Binding Provisions pursuant to Paragraphs J(b) or J(d) of this Part Two, the exclusive dealing provisions of this Paragraph 5 shall be terminated and the Company or the Shareholder shall, immediately upon such termination, be permitted to pursue an Alternative Transaction.

6. BREAK-UP PROVISIONS

In the event that the Company or the Shareholder breaches Paragraph 5 of this Part Two and the Company or the Shareholder closes an Alternative Transaction, then, immediately upon such closing, the Company or the Shareholder shall pay to the Purchaser 10% of the total consideration (including the assumption of any liabilities of the Company), cash and non-cash paid to the Company, the Shareholder, or the Company’s shareholders in the Alternative Transaction. The Definitive Agreement shall include similar break-up provisions.

7. CONDUCT OF BUSINESS

Until the Definitive Agreement has been executed and delivered by all the parties or the Binding Provisions have been terminated pursuant to Paragraph 11 of this Part Two, the Company shall conduct its business only in the ordinary course, and may not engage in any extraordinary transactions without the Purchaser’s prior consent, including, without limitation:

- (a) not issuing any equity securities or options, warrants, rights, or convertible securities;
- (b) not paying any dividends or redeeming any securities; and
- (c) not borrowing any funds or incurring any debt or other obligations outside of what is existing as of the date of this Letter of Intent.

8. DISCLOSURE

Except as and to the extent required by law, without the prior written consent of the other party, neither the Purchaser, the Company, nor the Shareholder shall, and each shall direct its shareholders or representatives not to, directly or indirectly, make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of the existence of discussions regarding, a possible transaction among the parties or any of the terms, conditions or other aspects of the transaction proposed in this Letter of Intent; provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholder may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. If a party is required by law to make any such disclosure, it must first provide to the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made.

9. COSTS

Except as otherwise provided in these Binding Provisions, each party shall pay its own costs and expenses (including any broker’s or finder’s fees) incurred in connection with the proposed transaction.

10. CONSENTS

The Purchaser, the Company, and the Shareholder shall cooperate with each other and proceed, as promptly as is reasonably practicable, to endeavor to comply with all legal or contractual requirements for or preconditions to the execution and consummation of the Definitive Agreement.

11. TERMINATION

The Binding Provisions may be terminated:

- (a) by mutual written consent of the Purchaser, the Company, and the Shareholder;
- (b) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser’s due diligence (a) uncovers facts concerning the Company’s business or financial condition that are different than those represented to the Purchaser by the Company or the Shareholder prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Purchaser regarding the Company;
- (c) by the Company or the Shareholder, without any penalty to the Company or the Shareholder, in the event that either the Company’s or the Shareholder’s due diligence (a) uncovers facts concerning the Purchaser’s business or financial condition that are different than those represented to the Company and the Shareholder by the Purchaser prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Company or the Shareholder regarding the Purchaser;
- (d) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser’s board of directors does not approve the execution of the Definitive Agreement, and/or the transactions contemplated hereby; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs 1, 5, 6, 8, 9, 14, and 15 of these Binding Provisions, which shall survive any such termination.

12. EXECUTION IN COUNTERPARTS

This Letter of Intent may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. COOPERATION

The Purchaser, the Company, and the Shareholder agree to cooperate and to use their respective best efforts to close the transaction contemplated in this Letter of Intent as soon as practicable after the date hereof.

14. ENTIRE AGREEMENT; AMENDMENT; ASSIGNMENT

The Binding Provisions and any Non-Disclosure Agreement between the Purchaser, the Company, and the Shareholder constitute the entire agreement among the parties, and supersede all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing among the parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the parties. This Letter of Intent is not assignable without the prior written consent of each of the Purchaser, the Company, and the Shareholder.

15. GOVERNING LAW; JURISDICTION; VENUE

This Letter shall be governed by and construed under the laws of New York without regard to principles of conflict of laws. The parties irrevocably consent to the jurisdiction and venue of the state and federal courts located in New York in connection with any action.

Please sign and date this Letter of Intent in the space provided below to confirm your understanding of the terms of the Nonbinding Provisions and to confirm the mutual binding agreements set forth in the Binding Provisions and return a signed copy to the undersigned.

Very truly yours,

THE PURCHASER

DARKPULSE, INC.

By: /s/ Dennis O'Leary
Dennis O'Leary, CEO

[Purchaser and Shareholder Signature Page to Follow]

*Acknowledged as to
the Nonbinding and agreed
as to the Binding Provisions
as of the date below:*

THE COMPANY

WILDLIFE SPECIALISTS, LLC

Date: June 8, 2021

By: /s/ J. Merlin Benner
J. Merlin Benner, CEO and Founder

THE SHAREHOLDER

Date: June 8, 2021

By: /s/ J. Merlin Benner
J. Merlin Benner, an Individual

THIS SHARE PURCHASE AGREEMENT (this “**Agreement**”) is dated 9th August 2021 **BETWEEN:**

- (1) **OPTILAN GUERNSEY LIMITED** a company registered in Guernsey (registered number 62982) and having its registered office at P.O. Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP, Channel Islands (“**BWE**”);
- (2) **OPTILAN HOLDCO 2 LIMITED**, a private company incorporated in England and Wales whose registered office is at c/o Aztec Financial Services (UK) Limited Forum 4, Solent Business Park, Parkway South, Whiteley, Fareham, Hampshire, England, PO15 7AD (“**OHL2**”, and together with BWE, the “**Sellers**”); and
- (2) **DARKPULSE, INC.**, a corporation incorporated in Delaware with its registered office at 1345 Avenue of the Americas, 2nd Floor, New York, NY 10105, United States of America (the “**Purchaser**”),

together, the “**Parties**” and each, a “**Party**”.

BACKGROUND:

- (A) The Sellers are the legal and beneficial owners and hold the entire share capital of the Company (as defined below).
- (B) The Sellers have agreed to sell, and the Purchaser has agreed to purchase, all of the issued and outstanding shares in the capital of the Company (the “**Sale Shares**”) representing 100% of the issued and outstanding shares of the Company subject to the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause shall apply throughout this Agreement:

“**Affiliate**” means, with respect to a specified legal entity or person, any other legal entity or person which directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with, the legal entity or person specified;

“**Agreement**” has the meaning given in the preamble;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are generally open in the United Kingdom for normal business;

“**BWE**” has the meaning given in the preamble;

“**Company**” means Optilan HoldCo 3 Limited, a private company incorporated in England and Wales with registered number 10567873 whose registered office is at C/O Aztec Financial Services (UK) Limited Forum 4, Solent Business Park, Parkway South, Whiteley, Fareham, Hampshire, England, PO15 7AD;

“**Completion Date**” means the date hereof;

“**Confidential Information**” has the meaning given in clause 6.2;

“**Control**” means with respect to any person, the possession directly or indirectly of the power to direct or cause the direction of the management of that person, whether by or through ownership of shares, securities, partnership or other ownership interests or membership interests, agreement or otherwise, provided that if one person owns, directly or indirectly, 50% or more of the share capital, voting securities, partnership or other ownership interests or membership interests of another person, such person shall be deemed to Control such other person, and “**Controlled**” shall be construed accordingly;

“**Disclosing Party**” has the meaning given in clause 6.2;

“**Encumbrance**” means creating or allowing to exist or agreeing to create or agreeing to allow to exist any mortgage, charge (fixed or floating), pledge, lien, option, right to acquire, option or right of pre-emption or refusal, right of sale, share in proceeds or revenue or repurchase, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement);

“**Notice of Claim**” has the meaning given in clause 5.7;

“**OHL2**” has the meaning given in the preamble;

“**Party**” and “**Parties**” have the meaning given in the preamble;

“**Purchase Price**” has the meaning given in clause 3.1;

“**Purchaser**” has the meaning given in the preamble;

“**Receiving Party**” has the meaning given in clause 6.2;

“**Remaining Directors**” means William Bayliss and Adrian Bannister;

“**Sale Shares**” has the meaning given in the recitals;

“**Sellers**” has the meaning given in the preamble;

“**Stock Transfer Form**” means the stock transfer form in the customary form; and

“**Subsidiary**” means any person Controlled by the Company.

- 1.2 Any express reference to an enactment (which includes any legislation in any jurisdiction) includes references to:
- (a) that enactment as amended, extended or applied by or under any other enactment before or after the date of this Agreement;
 - (b) any enactment which that enactment re-enacts (with or without modification); and
 - (c) any subordinate legislation (including regulations) made (before or after the date of this Agreement) under that enactment, as re-enacted, amended, extended or applied as described in clause 1.2(a) above, or under any enactment referred to in clause 1.2(b) above, except to the extent that any of the matters referred to in clauses 1.2(a) to 1.2(c) above occurring after the date of this Agreement increases or alters the liability of any Party, and “**enactment**” includes any legislation in any jurisdiction.

- 1.3 References to a “**company**” shall be construed so as to include any company, partnership, corporation or other body corporate or other legal entity, wherever and however incorporated or established.
- 1.4 References to a “**person**” shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership.
- 1.5 The singular shall include the plural and vice versa.
- 1.6 References to any English legal term for any action, remedy, method or judicial proceeding, legal document, legal status, court, official, or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term.
- 1.7 Any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.8 References to “**£**” is to sterling, the lawful currency of the United Kingdom.
- 1.9 References to a calendar day or calendar year are references to the Gregorian calendar days or Gregorian calendar years.
- 1.10 Where there is any inconsistency between the definitions set out in this clause and the definitions set out in any other clause or Schedule, then for the purposes of construing such clause or Schedule, the definitions set out in such clause or Schedule shall prevail.
- 1.11 The wording of this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.
- 1.12 Any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this Agreement or that document.
- 1.13 Clauses 1.2 to 1.12 apply unless the contrary intention appears. 1.14 The headings in this Agreement do not affect its interpretation.
- 1.15 Any Schedule to this Agreement shall take effect as if set out in this Agreement and references to this Agreement shall include its Schedules.

2. SALE AND PURCHASE OF THE SALE SHARES

- 2.1 The Sellers shall sell, and the Purchaser shall purchase, the Sale Shares, in accordance with, and subject to the terms of, this Agreement and with effect from the Completion Date with all of the rights then attaching to them, including without limitation the right to receive all distributions and dividends declared, paid, accrued or made at any time in respect of the Sale Shares after the Completion Date.
- 2.2 The Sale Shares shall be sold by the Sellers in the following proportions:
- (a) BWE shall sell to the Purchaser 6,000,000 Class A Shares; and
 - (b) OHL2 shall sell to the Purchase one ordinary share, which constitute 100% of the issued and outstanding shares in the capital of the Company.

3. PURCHASE PRICE

- 3.1 The aggregate consideration payable for the sale and transfer of the Sale Shares shall be an amount of £1.00 (the “**Purchase Price**”), payable in accordance with clause 4, and apportioned between the Sellers equally.

4. COMPLETION

- 4.1 On the date of this Agreement the Parties shall undertake the following actions:
- (a) the Sellers shall each deliver to the Purchaser:
 - (i) a board resolution approving the transfer of the Sale Shares to the Purchaser;
 - (ii) resignation letters of the directors of the Company and each of its Subsidiaries (other than the Remaining Directors) with effect from the Completion Date;
 - (iii) a board resolution appointing Dennis Michael O'Leary, Carl Allen Eckel, and Anthony Wayne Brown effective as of the Completion Date;

- (iv) a copy of the Stock Transfer Form executed by the Sellers in favour of the Purchaser; and
- (b) the Purchaser shall:
 - (i) deliver a countersigned copy of the Stock Transfer Form to the Sellers;
 - (ii) pay the Purchase Price to the bank account of the Sellers as notified to it and provide evidence of such payment thereof, payment of which shall discharge the Purchaser's obligation to pay the Purchase Price hereunder entirely.

5. WARRANTIES

- 5.1 The Purchaser warrants to the Sellers that the statements set forth in Schedule 1 are true and correct as of the date of this Agreement.
- 5.2 The Sellers each severally on behalf of itself warrant to the Purchaser that the statements set forth in Schedule 2 are true and correct as of the date of this Agreement.
- 5.3 The Sellers make no representation and give no warranty or undertaking to the Purchaser save only as and to the extent expressly set out in this Agreement. Other than as provided for in this Agreement, the Purchaser shall not have any remedy in respect of any misrepresentation or untrue statement (whether made carelessly or not) made by the Sellers unless and to the extent such arises as a result of the fraud.
- 5.4 Each of the Warranties shall be construed separately and independently.
- 5.5 For the avoidance of doubt, a number of claims arising from a single event, act or circumstance may be aggregated as a single claim.
- 5.6 The maximum aggregate liability of the Sellers under this Agreement shall not exceed an amount equal to the Purchase Price.
- 5.7 No claim under this Agreement may be made against the Sellers unless written notice in reasonable detail of the specific matter in respect of which the claim is made and a calculation of the Purchaser's reasonable estimate of the quantum of such claim (a "**Notice of Claim**") is served on the Sellers in writing within six months of the Completion Date, and legal proceedings relating to the Notice of Claim shall have been commenced by being both issued and served within three months of the date of the Notice of Claim.

4

- 5.8 No new claim under this Agreement may be made in respect of the facts, matters, events or circumstances giving rise to any withdrawn claim not commenced within the prescribed period.
- 5.9 The Purchaser shall only be entitled to claim for direct damages and shall not be entitled to claim for any indirect, exemplary or punitive damages, or any consequential or special damages or loss of profit.
- 5.10 Nothing in this Agreement shall operate to exclude or limit the liability of the Sellers in relation to any claim that arises as a result of fraud.

6. ANNOUNCEMENTS AND CONFIDENTIALITY

- 6.1 No Party shall make or permit any person connected with it to make any announcement concerning this Agreement or any ancillary matter except as required by law or any competent regulatory body or with the prior written approval of the other Party, provided that the Purchaser and BWE shall be entitled to make the press release agreed between them on (or prior to) the date hereof.
- 6.2 For the purposes of this clause, "**Confidential Information**" means all information of a confidential and proprietary nature disclosed by whatever means by one Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") and includes such information disclosed by or to the Company or its representatives and includes the provisions and subject matter of this Agreement and any information relating to the Company.
- 6.3 Except as otherwise permitted under this clause, each Party undertakes to keep, and shall procure that each of its Affiliates and their respective directors, employees and representatives shall keep, the Confidential Information confidential and not disclose it to any person.
- 6.4 Clause 6.3 shall not apply to the disclosure of Confidential Information if and to the extent:
 - (a) required by any law or by regulation of any country with jurisdiction over the affairs of the Receiving Party;
 - (b) required by the rules of any securities exchange on which securities of the Receiving Party or any of its Affiliates are listed;
 - (c) required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body;
 - (d) required to enable a party to satisfy its obligations under this Agreement;
 - (e) in respect of the Seller, to any of its shareholders, subject to such person being subject to confidentiality obligations no less onerous than set out herein; or
 - (f) that such information is in the public domain other than through breach of this clause, provided that in the case of paragraphs (a), (b) and (c) the Receiving Party will, to the extent reasonably practicable and permitted by such law or body, promptly notify the Disclosing Party and co-operate with the Disclosing Party regarding the timing and content of such disclosure and any action which the Disclosing Party may reasonably wish to take to challenge the validity of such requirement.
- 6.5 This clause shall continue to bind the Parties notwithstanding termination or expiry of this Agreement.

7. FURTHER ASSURANCES

- 7.1 At any time after the date of this Agreement, the Parties shall, at their own cost and expense, execute and do (or procure to be executed and done by any other necessary party) all such deeds, documents, acts and things as may be reasonably required in order to vest any of the Sale Shares in the Purchaser.

- 7.2 The Purchaser shall, and shall procure that the Company shall, retain for a period of at least six years from the Completion Date (or such longer period required by applicable law) any books, records and documents of the Company and its Subsidiaries to the extent they relate to the period prior to the Completion Date and shall, and shall procure that the Company shall, if reasonably requested by the Seller, allow the Sellers reasonable access during normal business hours to such books, records and documents, including the right to take copies, at the Sellers' expense for the purposes of complying with any reporting or filing obligations relating to tax, accounting or regulatory matters or to comply with any applicable law or requirement of any governmental authority.

8. NOTICES

- 8.1 Any notice or other communication to be given under this Agreement must be given in English and in writing and may be delivered in person or sent by first class registered post, international courier or email to the Parties pursuant to the details set out below:

Purchaser:

Name: DarkPulse, Inc.
 Address: 1345 Avenue of the Americas, 2nd Floor, New York, NY 10105, United States of America
 Attention: The Directors
 Email Address: N/A

BWE:

Name: Optilan Guernsey Limited
 Address: P.O. Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP, Channel Islands
 Attention: The Directors
 Email Address: N/A,

OHL2:

Name: Optilan HoldCo 2 Limited
 Address: c/o Aztec Financial Services (UK) Limited Forum 4, Solent Business Park, Parkway South, Whiteley, Fareham, Hampshire, England, PO15 7AD
 Attention: The Directors
 Email Address: N/A,

or at such other address or email as it may notify the other Party under this clause.

- 8.2 Any notice or other communication shall be deemed to have been given:

- (a) if delivered in person, on the date of delivery;
- (b) if sent by first class registered post, three Business Days after posting;
- (c) if sent by courier, on day it is delivered and signed for after it was put into the post; or
- (d) if sent by email, on the date the email was sent and a delivery receipt was received.

- 8.3 In proving the giving of a notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted by first class registered post, pre-paid international courier or that an email electronic delivery receipt was received, as the case may be.

- 8.4 This clause shall not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Agreement,

9. COSTS

- 9.1 Except as expressly stated in clause 9.2, each Party shall pay its own costs and expenses in relation to the negotiation, preparation, execution, performance and implementation of this Agreement and each document referred to in it and other agreements forming part of the transactions contemplated hereunder, save that this clause shall not prejudice the right of any Party to seek to recover its costs in any litigation or dispute resolution procedure which may arise out of this Agreement.

- 9.2 The Purchaser shall bear the cost of all legal costs and expenses, and all registration, stamp and transfer taxes and duties or their equivalents in all jurisdictions where such fees, taxes and duties are payable as a result of the transactions contemplated by this Agreement. The Purchaser shall arrange the payment of such fees, taxes and duties, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with such payment.

10. SEVERABILITY

The provisions contained in each clause of this Agreement shall be enforceable independently of each of the others and its validity shall not be affected if any of the others is invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.

11. REMEDIES

- 11.1 A waiver of any right, power, privilege or remedy provided by this Agreement must be in writing and may be given subject to any conditions thought fit by the grantor. For the avoidance of doubt, any omission to exercise, or delay in exercising, any right, power, privilege or remedy provided by this Agreement shall not constitute a waiver of that or any other right, power, privilege or remedy.

- 11.2 A waiver by a Party of any right, power, privilege or remedy provided by this Agreement shall not constitute a waiver of any other breach or default by the other Party and shall not constitute a continuing waiver of the right, power, privilege or remedy waived or a waiver of any other right, power, privilege or remedy.
- 11.3 Any single or partial exercise of any right, power, privilege or remedy arising under this Agreement shall not preclude or impair any other or further exercise of that or any other right, power, privilege or remedy.

12. VARIATION

Any variation of, or amendment to, this Agreement is valid only if it is in writing and signed by or on behalf of the Parties.

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and any Party (including any duly authorised representative of a Party) may enter into this Agreement by executing a counterpart. Pdf and electronically transmitted signatures shall be valid and binding to the same extent as original signatures.

14. ASSIGNMENT

None of the rights or obligations under this Agreement may be assigned or transferred without the prior written consent of the Parties.

15. PARTNERSHIP; AGENCY

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose.

16. RIGHTS OF THIRD PARTIES

A person who is not a Party may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

17. WHOLE AGREEMENT

- 17.1 This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, between the Parties in relation to the subject matter of this Agreement.
- 17.2 Each Party acknowledges and agrees that it has not been induced to enter into this Agreement in reliance on or on the basis of any warranties, representations, covenants, undertakings, indemnities or any other statement of any person (whether a party to this Agreement or not) other than as expressly set out in this Agreement and acknowledges that neither the other Party nor any of their agents, officers or employees have given any such warranties, representations, covenants, undertakings, indemnities or other statements.
- 17.3 Nothing in this Agreement or in any other document referred in this Agreement shall be read or construed as excluding any liability or remedy as a result of fraud.
- 17.4 Without limiting the generality of the foregoing, each Party irrevocably and unconditionally waives any right or remedy it may have to claim damages and/or to rescind this Agreement by reason of any misrepresentation (other than a fraudulent misrepresentation) having been made to it by any person (whether a party to this Agreement or not) and upon which it has relied in entering into this Agreement.
- 17.5 Save as otherwise stated in this Agreement, each Party acknowledges and agrees that its sole remedy and only cause of action available to it under the terms of this Agreement shall be an action for damages for breach of contract.

18. GOVERNING LAW AND DISPUTE RESOLUTION

- 18.1 This Agreement, and any non-contractual disputes arising out of or in connection with it, are governed by, and shall be construed in accordance with, the laws of England and Wales, and subject to the exclusive jurisdiction of the Courts of England and Wales.
- 18.2 Notwithstanding the foregoing, the Parties agree that either of them may seek interim measures including injunctive relief in relation to the provisions of this Agreement or the Parties' performance of it from any court of competent jurisdiction.

19. LANGUAGE

The language of this Agreement and the transactions envisaged by it is English and all notices to be given in connection with this Agreement must be in English. All demands, requests, statements, certificates or other documents or communications to be provided in connection with this Agreement and the transactions envisaged by it must be in English or accompanied by a certified English translation; in this case the English translation prevails unless the document or communication is a statutory or other official document or communication.

AS WITNESS this Agreement has been signed by the Parties (or their duly authorised representatives) on the date stated at the beginning of this Agreement.

OPTILAN GUERNSEY LIMITED

)
)
)

/s/ Matthew Chick
Name: Matthew Chick
Title: Director

OPTILAN HOLDCO 2 LIMITED

)
)
)

/s/ MJ Fallen
Name: MJ Fallen
Title: Director

DARKPULSE, INC.

/s/ Dennis O'Leary
Name: Dennis O'Leary
Title: Chief Executive Officer

THIS SUBSCRIPTION AGREEMENT (this “Agreement”) is made on 9th August 2021

BETWEEN:

- (1) **OPTILAN HOLDCO 3 LIMITED**, a private company incorporated in England and Wales whose registered office is at C/O Aztec Financial Services (UK) Limited Forum 4, Solent Business Park, Parkway South, Whiteley, Fareham, Hampshire, England, PO15 7AD (the “Company”); and
- (2) **DARKPULSE, INC.**, a corporation incorporated in Delaware with its registered office at 1345 Avenue of the Americas, 2nd Floor, New York, NY 10105, United States of America (“DarkPulse”),

together the “Parties” and each a “Party”.

RECITALS:

- (A) DarkPulse wishes to subscribe for certain Shares (as defined below) in the capital of the Company and the Company wishes to allot those Shares to DarkPulse.
- (B) This Agreement sets out on the terms and conditions upon which the Shares shall be allotted to DarkPulse.

IT IS AGREED as follows:

1. SUBSCRIPTION FOR THE SUBSCRIPTION SHARES

- 1.1 On the date hereof, DarkPulse hereby subscribes for, and the Company hereby issues to it 4,000,000 Ordinary Shares (the “Subscription Shares”) for an aggregate subscription price of £4,000,000 (the “Subscription Consideration”) in accordance with the funding schedule in clause 1.2.
- 1.2 DarkPulse shall pay the Subscription Consideration to the Company (to the account notified to DarkPulse by the Company) for the Subscription Shares and provide evidence of such payment according to the following schedule:
- (a) £250,000 on the date hereof;
- (b) £1,250,000 by 11:59pm on 16 August 2021;
- (c) £1,250,000 by 11:59pm on 23 August 2021; and
- (d) £1,250,000 by 11:59pm on 30 August 2021.
- 1.3 Following receipt of payment of a tranche of the Subscription Consideration, the Company shall instruct the company secretary to issue and allot to DarkPulse the portion of Subscription Shares proportionate to the tranche of Subscription Consideration paid, update the Company’s registers accordingly and make all relevant filings to Companies House.
- 1.4 The Subscription Shares shall be allotted as validly issued, credited as fully paid, and free and clear of all encumbrances.

2. ANNOUNCEMENTS AND CONFIDENTIALITY

- 2.1 Except as required in connection with a Party’s performance of its obligations under this Agreement, no Party shall disclose to any other person the terms of this Agreement, the existence of this Agreement or any information or document provided by any Party to another Party unless the disclosure (a) occurs with the prior written consent of the other Party, (b) comes into the public domain otherwise than as a result of a breach of this clause 2 by any Party, (c) is to those of the Party’s employees, affiliates, shareholders, and advisers, including legal and financial advisers, insurance brokers and auditors who need to know such information in connection with the performance of their professional responsibilities and are advised of the confidential nature of the information, (d) is required in order to fulfill the obligations of a Party under this Agreement, or (e) is legally required by law or any regulatory body or any court or arbitral tribunal.

- 2.2 No announcement or press release circular in connection with the existence or the subject matter of this Agreement shall be made or issued by or on behalf of any Party without the consent of both Parties.

3. MISCELLANEOUS

- 3.1 The provisions contained in each clause of this Agreement shall be enforceable independently of each of the others and its validity shall not be affected if any of the others is invalid. If any of those provisions is void but would be valid if some part of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid.
- 3.2 A waiver of any right, power, privilege or remedy provided by this Agreement must be in writing and may be given subject to any conditions thought fit by the grantor. For the avoidance of doubt, any omission to exercise, or delay in exercising, any right, power, privilege or remedy provided by this Agreement shall not constitute a waiver of that or any other right, power, privilege or remedy. A waiver by a Party of any right, power, privilege or remedy provided by this Agreement shall not constitute a waiver of any other breach or default by the other Party and shall not constitute a continuing waiver of the right, power, privilege or remedy waived or a waiver of any other right, power, privilege or remedy. Any single or partial exercise of any right, power, privilege or remedy arising under this Agreement shall not preclude or impair any other or further exercise of that or any other right, power, privilege or remedy.
- 3.3 Any variation of, or amendment to, this Agreement is valid only if it is in writing and signed by or on behalf of the Parties.
- 3.4 This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and any Party (including any duly authorised representative of a Party) may enter into this Agreement by executing a counterpart. Pdf and electronically transmitted signatures shall be valid and

binding to the same extent as original signatures.

- 3.5 None of the rights or obligations under this Agreement may be assigned or transferred without the prior written consent of the Parties.
- 3.6 Nothing in this Agreement shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose.
- 3.7 A person who is not a Party may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
- 3.8 This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, between the Parties in relation to the subject matter of this Agreement.

4. GOVERNING LAW AND DISPUTE RESOLUTION

- 4.1 This Agreement, and any non-contractual disputes arising out of or in connection with it, are governed by, and shall be construed in accordance with, the laws of England and Wales, and subject to the exclusive jurisdiction of the Courts of England and Wales.
- 4.2 Notwithstanding the foregoing, the Parties agree that either of them may seek interim measures including injunctive relief in relation to the provisions of this Agreement or the Parties' performance of it from any court of competent jurisdiction.

5. LANGUAGE

The language of this Agreement and the transactions envisaged by it is English and all notices to be given in connection with this Agreement must be in English. All demands, requests, statements, certificates or other documents or communications to be provided in connection with this Agreement and the transactions envisaged by it must be in English or accompanied by a certified English translation; in this case the English translation prevails unless the document or communication is a statutory or other official document or communication.

AS WITNESS this Agreement has been signed by the Parties (or their duly authorised representatives) on the date stated at the beginning of this Agreement.

OPTILAN HOLDO 3 LIMITED

)
)
)

/s/ Adrian Bannister
Name: Adrian Bannister
Title: Director

DARKPULSE, INC.

/s/ Dennis O'Leary
Name: Dennis O'Leary
Title: Chief Executive Officer

DarkPulse, Inc.
1345 Avenue of the Americas
2nd Floor
New York, NY 10105

August 19, 2021

VIA EMAIL

Shareholders of TJM Electronics West, Inc.
TJM Electronics West, Inc.
2640 West Medtronic Way
Tempe, AZ 85281

Re: Letter of Intent

Dear Shareholders of TJM Electronics West, Inc.:

The purpose of this letter (this “**Letter of Intent**”) is to set forth certain nonbinding understandings and certain binding agreements by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Purchaser**”), TJM Electronics West, Inc., an Arizona corporation (the “**Company**”), Thomas McCarthy, an individual (“**Mr. McCarthy**”), Sarah McCarthy, an individual (“**Mrs. McCarthy**”), [REDACTED], an individual ([REDACTED]), Mr. McCarthy, and Mrs. McCarthy, together, the “**Shareholders**”), as of the date shown above (the “**Effective Date**”), with respect to the acquisition of all of the equity ownership in the Company owned by the Shareholders on the terms set forth below. As set forth herein, each of the Purchaser, the Company, and the Shareholders, a “party,” and, together, the “parties.”

PART ONE—NONBINDING PROVISIONS

The following numbered paragraphs of this Letter of Intent (collectively, the “**Nonbinding Provisions**”) reflect our mutual understanding of the matters described in them, but each party acknowledges that the Nonbinding Provisions are not intended to create or constitute any legally binding obligation by, between, and among the Purchaser, the Company, and the Shareholders, and none of Purchaser, the Company, or the Shareholders shall have any liability to the other party with respect to the Nonbinding Provisions unless and to the extent that they are embodied in a fully integrated definitive agreement (the “**Definitive Agreement**”), and other related documents, which are prepared, authorized, executed, and delivered by, between, and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

1. **COMPANY MANAGEMENT**

It is contemplated that management of the Company would remain unchanged following Closing, and that all employees employed by the Company at Closing, would remain as employees of the Company following Closing at the same rates and under the same terms.

2. **FINANCIAL STATEMENTS**

It is anticipated that the Definitive Agreement may provide that the Company would be required to provide financial statements and information to comply with Item 9.01 of Form 8-K promulgated by the SEC within the extension period provided in Item 9.01(a)(4) of Form 8-K.

3. **PROPOSED FORM OF AGREEMENT**

The Purchaser, the Company, and the Shareholders intend promptly to begin negotiating to reach a written Definitive Agreement, containing comprehensive representations, warranties, indemnities, conditions and agreements by the parties customary to a transaction of this nature. The execution of the Definitive Agreement by the parties and their respective obligations to close the transaction will be subject to approval by the respective boards of directors of each entity and by the Shareholders of the Company.

Shareholders of TJM Electronics West, Inc.
August 19, 2021
Page 2

4. **CONDITIONS TO PROPOSED TRANSACTION**

The parties do not intend to be bound to the Nonbinding Provisions or any Provisions covering the same subject matter until the execution and delivery of the Definitive Agreement, which, if successfully negotiated, would provide that the proposed transaction would be subject to customary terms and conditions, including, but not limited to, the following:

- (a) satisfactory completion of all due diligence;
- (b) receipt of all necessary consents and approvals of governmental bodies and others;
- (c) absence of pending or threatened litigation regarding the Definitive Agreement or the transactions to be contemplated thereby;
- (d) delivery of customary legal opinions, closing certificates, and other documentation;
- (e) compliance of the transaction contemplated herein with any applicable tax-free reorganization or other tax restriction, which compliance shall be mutually satisfactory to the parties hereto;
- (f) evidence at closing that the Company would have no outstanding options, warrants, or other instruments convertible into, or obligations granting rights to receive, shares of common stock of the Company, except for securities in this transaction;
- (g) the accuracy and completeness of representations and warranties of the parties customary to a transaction of this nature; and

(h) unaudited financial statements or information disclosing the financial condition of the Company for the last two (2) completed fiscal years the most recent quarter end.

PART TWO—BINDING PROVISIONS

Upon execution by the Purchaser, the Company, and the Shareholders of this Letter of Intent or counterparts thereof, the following lettered paragraphs of this Letter of Intent (collectively, the “**Binding Provisions**”) will constitute the legally binding and enforceable agreement of the Purchaser, the Company, and the Shareholders (in consideration of the significant costs to be borne by the Purchaser, the Company, and the Shareholders in pursuing this proposed transaction and further, in consideration of their mutual undertakings as to the matters described herein).

1. NONBINDING PROVISIONS NOT ENFORCEABLE

The Nonbinding Provisions do not create or constitute any legally binding obligations among the Purchaser, the Company, and the Shareholders, and none of the Purchaser, the Company, or the Shareholders shall have any liability to the other parties with respect to the Nonbinding Provisions unless and to the extent that they are embodied in the Definitive Agreement, if one is successfully negotiated, executed and delivered by and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

2. BASIC TRANSACTION

(a) It is contemplated that the Purchaser would acquire one hundred percent (100%) of the issued and outstanding voting capital stock or equity interests of the Company owned by the Shareholders in exchange for Four Hundred and Fifty Thousand Dollars (\$450,000) to be paid to the Shareholders pro-rata no later than August 31, 2021. The parties anticipate that the execution and closing of the Definitive Agreement would occur simultaneously (the “**Closing**”). As a result of the Closing, the Company would become a wholly-owned subsidiary of the Purchaser.

Shareholders of TJM Electronics West, Inc.
August 19, 2021
Page 3

(b) The structure and form of the transaction will be mutually agreeable to the parties, provided that the parties currently intend that the transaction will qualify for treatment as a tax-free transaction under the Internal Revenue Code of 1986, as amended.

3. DEFINITIVE AGREEMENT; TERM OF THIS LETTER OF INTENT

(a) The Purchaser and its counsel shall be responsible for preparing the initial draft of the Definitive Agreement. Subject to the final sentence of Paragraph 4 of the Binding Provisions, the Purchaser, the Company, and the Shareholders shall negotiate in good faith to arrive at a mutually acceptable Definitive Agreement for approval, execution, and delivery on the earliest reasonably practicable date.

(b) The Company and the Shareholders shall engage legal counsel to represent them in this acquisition transaction and the preparation of the Company documents, and to assist in the review of the Definitive Agreement.

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on August 31, 2021; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

4. ACCESS

The Purchaser and the Company will provide to each other full access to their current and historical books and records (excluding proprietary information) and will furnish financial and operating data and such other current or historical information with respect to their business and assets as may reasonably be requested from time to time. Each party shall accommodate and make available such information to the appropriate representatives of the other. Until the Definitive Agreement is executed by the Purchaser the Company, and the Shareholders, all parties shall keep confidential any information (unless ascertainable from public filings or other public sources) obtained either prior to, or following the date of this Letter of Intent concerning the other's operations, assets, and business, or other confidential information. It is anticipated that the Definitive Agreement would contain confidentiality provisions effective beginning on the date the agreement is executed by the Purchaser, the Company, and the Shareholders and covering confidential information provided prior to the execution of the Definitive Agreement. Neither party shall be under obligation to continue with its due diligence investigation or negotiations regarding the Definitive Agreement or to consummate the transactions contemplated by this Letter of Intent if, at any time, the results of its due diligence investigation are not satisfactory to such party for any reason in its sole discretion.

5. EXCLUSIVE DEALING

(a) During the term of this Letter of Intent, the Company and the Shareholders shall not, directly or indirectly, through any representative or otherwise, solicit, negotiate with or in any manner encourage, discuss or accept any proposal of any other person relating to the acquisition of the Company, shares of its capital stock purchased from the Shareholders, or the Company's assets or business, in whole or in part, whether through direct purchase, merger, consolidation, or other business combination (collectively, an “**Alternative Transaction**”); provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholders may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. The Company or the Shareholders will immediately notify the Purchaser regarding any contact between the Company, the Shareholders, or their respective representatives and any other person regarding any proposed Alternative Transaction or any related inquiry.

(b) In the event the Company or the Shareholders receives a proposal for an Alternative Transaction (a “**Proposal**”), the Company or the Shareholders will immediately give written notice to the Purchaser setting forth the identity of the proposed party and the price and terms of the Proposal. The Purchaser shall have the right, exercisable within the five (5) business days following receipt of such notice, to effect the Alternative Transaction on the same economic terms as those set forth in the Proposal.

(c) Notwithstanding anything to the contrary contained herein, if the Purchaser terminates the Binding Provisions pursuant to Paragraphs J(b) or J(d) of this Part Two, the exclusive dealing provisions of this Paragraph 5 shall be terminated and the Company or the Shareholders shall, immediately upon such termination, be permitted to pursue an Alternative Transaction.

6. BREAK-UP PROVISIONS

In the event that the Company or the Shareholders breaches Paragraph 5 of this Part Two and the Company or the Shareholders closes an Alternative Transaction, then, immediately upon such closing, the Company or the Shareholders shall pay to the Purchaser 15% of the total consideration (including the assumption of any liabilities of the Company), cash and non-cash paid to the Company, the Shareholders, or the Company's Shareholders in the Alternative Transaction. The Definitive Agreement shall include similar break-up provisions.

7. CONDUCT OF BUSINESS

Until the Definitive Agreement has been executed and delivered by all the parties or the Binding Provisions have been terminated pursuant to Paragraph 11 of this Part Two, the Company shall conduct its business only in the ordinary course, and may not engage in any extraordinary transactions without the Purchaser's prior consent, including, without limitation:

- (a) not issuing any equity securities or options, warrants, rights, or convertible securities;
- (b) not paying any dividends or redeeming any securities; and
- (c) not borrowing any funds or incurring any debt or other obligations outside of what is existing as of the date of this Letter of Intent.

8. DISCLOSURE

Except as and to the extent required by law, without the prior written consent of the other party, neither the Purchaser, the Company, nor the Shareholders shall, and each shall direct its Shareholders or representatives not to, directly or indirectly, make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of the existence of discussions regarding, a possible transaction among the parties or any of the terms, conditions or other aspects of the transaction proposed in this Letter of Intent; provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholders may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. If a party is required by law to make any such disclosure, it must first provide to the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made.

9. COSTS

Except as otherwise provided in these Binding Provisions, each party shall pay its own costs and expenses (including any broker's or finder's fees) incurred in connection with the proposed transaction.

10. CONSENTS

The Purchaser, the Company, and the Shareholders shall cooperate with each other and proceed, as promptly as is reasonably practicable, to endeavor to comply with all legal or contractual requirements for or preconditions to the execution and consummation of the Definitive Agreement.

11. TERMINATION

The Binding Provisions may be terminated:

- (a) by mutual written consent of the Purchaser, the Company, and the Shareholders;

(b) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser's due diligence (a) uncovers facts concerning the Company's business or financial condition that are different than those represented to the Purchaser by the Company or the Shareholders prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Purchaser regarding the Company;

(c) by the Company or the Shareholders, without any penalty to the Company or the Shareholders, in the event that either the Company's or the Shareholders' due diligence (a) uncovers facts concerning the Purchaser's business or financial condition that are different than those represented to the Company and the Shareholders by the Purchaser prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Company or the Shareholders regarding the Purchaser;

(d) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser's board of directors does not approve the execution of the Definitive Agreement, and/or the transactions contemplated hereby; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs 1, 5, 6, 8, 9, 14, and 15 of these Binding Provisions, which shall survive any such termination.

12. EXECUTION IN COUNTERPARTS

This Letter of Intent may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. COOPERATION

The Purchaser, the Company, and the Shareholders agree to cooperate and to use their respective best efforts to close the transaction contemplated in this Letter of Intent as soon as practicable after the date hereof.

14. ENTIRE AGREEMENT; AMENDMENT; ASSIGNMENT

The Binding Provisions and any Non-Disclosure Agreement between the Purchaser, the Company, and the Shareholders constitute the entire agreement among the parties, and supersede all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing among the parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the parties. This Letter of Intent is not assignable without the prior written consent of each of the Purchaser, the Company, and the Shareholders.

15. GOVERNING LAW; JURISDICTION; VENUE

This Letter shall be governed by and construed under the laws of New York without regard to principles of conflict of laws. The parties irrevocably consent to the jurisdiction and venue of the state and federal courts located in New York in connection with any action.

Please sign and date this Letter of Intent in the space provided below to confirm your understanding of the terms of the Nonbinding Provisions and to confirm the mutual binding agreements set forth in the Binding Provisions and return a signed copy to the undersigned.

Very truly yours,

THE PURCHASER

DARKPULSE, INC.

By: /s/ Dennis O'Leary
Dennis O'Leary, CEO

[Purchaser and Shareholders Signature Page to Follow]

Shareholders of TJM Electronics West, Inc.
August 19, 2021
Page 6

*Acknowledged as to
the Nonbinding and agreed
as to the Binding Provisions
as of the date below:*

THE COMPANY

TJMELECTRONICS WEST, INC.

Date: August 23, 2021

By: /s/ Thomas McCarthy
Thomas McCarthy, CEO

THE SHAREHOLDERS

Date: August 23, 2021

By: /s/ Thomas McCarthy
Thomas McCarthy, an Individual with POA for John McCarthy, Donna McCarthy and Frank Baisden – constituting all Shareholders of record

MEMBERSHIP INTEREST PURCHASE AGREEMENT

Between

J. MERLIN BENNER

And

DARKPULSE, INC.

dated as of August 30, 2021

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this “**Agreement**”), dated as of August 30, 2021 (the “**Effective Date**”), is entered into between J. Merlin Benner, a member owning a majority equity interest of Remote Intelligence, Limited Liability Company, a Pennsylvania limited liability company (the “**Seller**”), and DarkPulse, Inc., a Delaware corporation (the “**Buyer**” or “**DarkPulse**”).

RECITALS

WHEREAS, The Seller owns 60% of the outstanding membership interests (the “**Membership Interest**”) in Remote Intelligence, Limited Liability Company, a limited liability company organized and existing under the laws of the Commonwealth of Pennsylvania (the “**Company**”); and

WHEREAS, the Seller wishes to sell to the Buyer, and the Buyer wishes to purchase from the Seller, the Membership Interest, subject to the terms and conditions set forth herein.

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

ARTICLE I DEFINITIONS

Section 1.01 “Action” means a claim, action, suit, proceeding, or governmental investigation.

Section 1.02 “Affiliate” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

Section 1.03 “Assignment and Assumption” shall have the meaning set forth in Section 5.01(a).

Section 1.04 “Business Day” means any day of the year other than a Saturday or Sunday or any day on which banks in the State of New York are required or permitted to be closed.

Section 1.05 “Cash Consideration” shall have the meaning set forth in Section 2.02(b).

Section 1.06 “Certificate of Formation” shall have the meaning set forth in Section 3.03.

Section 1.07 “Change of Control Transaction” means the occurrence after the date hereof of any of (a) an acquisition from the Buyer by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of in excess of 50% of the voting securities of the Buyer (other than by the Sellers or its Affiliates), (b) the Buyer merges into or consolidates with any other Person, or any Person merges into or consolidates with the Buyer and, after giving effect to such transaction, the stockholders of the Buyer immediately prior to such transaction own less than 50% of the aggregate voting power of the Buyer or the successor entity of such transaction, or (c) the Buyer sells, licenses or transfers all or substantially all of the assets of the Company.

Section 1.08 “Closing” means the closing of the transactions contemplated by this Agreement.

Section 1.09 “Closing Date” is the same as the Effective Date.

Section 1.10 “Code” means the Internal Revenue Code of 1986, as amended.

Section 1.11 “Common Stock” means the common stock of the Buyer, par value \$0.0001, and any other class of securities into which such securities may hereafter be reclassified or changed.

Section 1.12 “Common Stock Consideration” shall have the meaning set forth in Section 2.02(a).

Section 1.13 “Common Stock Equivalents” means any securities of the Buyer or its subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

Section 1.14 “Confidential Information” means any information with respect to the Company, including methods of operation, customer lists, products, prices, fees, costs, technology, inventions, trade secrets, know-how, software, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters. “**Confidential Information**” does not include, and there shall be no obligation hereunder with respect to, information that (i) is generally available to the public

on the date of this Agreement or (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible hereunder.

Section 1.15 “Contract” means any contract, agreement, indenture, note, bond, mortgage, loan, instrument, lease, license, commitment or other arrangement, understanding, undertaking, commitment or obligation, whether written or oral.

Section 1.16 The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

Section 1.17 “Disclosure Schedules” means the Disclosure Schedules delivered by the Buyer concurrently with the execution and delivery of this Agreement.

Section 1.18 “Encumbrance” means any mortgage, pledge, lien, charge, security interest, community property interest, claim, or other encumbrance.

Section 1.19 “Exchange Act” the U.S. Securities Exchange Act of 1934, as amended.

Section 1.20 “Exempt Issuance” means the issuance and sale of (a) shares of Common Stock or options to employees, officers or directors of the Buyer pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Buyer’s board of directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Buyer; (b) securities upon the exercise or exchange of securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Buyer, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Buyer and shall provide to the Buyer significant benefits in addition to the investment of funds.

Section 1.21 “GAAP” means generally accepting accounting principles in the United States of America.

Section 1.22 “Governing Documents” means, with respect to an entity, the entity’s articles of incorporation, articles of organization, certificate of incorporation, certificate of formation, charter, bylaws, operating agreement, Operating Agreement, or other certificates, instruments, documents, or agreements adopted to govern the formation or internal affairs of the entity, as applicable, including any and all amendments or restatements to such documents.

Section 1.23 “Governmental Authorities” means any court, tribunal, arbitrator, agency, commission, department, ministry, official, authority, or other instrumentality of any national, state, county, city, or other political subdivision.

Section 1.24 “Indemnified Party” shall have the meaning set forth in [Section 7.04](#).

Section 1.25 “Indemnifying Party” shall have the meaning set forth in [Section 7.04](#).

Section 1.26 “Liability” shall have the meaning set forth in [Section 4.09](#).

Section 1.27 “Loss” means all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including reasonable attorneys’ fees and disbursements.

Section 1.28 “Material Adverse Effect” means any result, occurrence, fact, change, event or effect that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the long-term projected business, operations, assets, liabilities, condition (financial or otherwise) or results of, in each case, of the Buyer and its subsidiaries taken as a whole.

Section 1.29 “Operating Agreement” shall have the meaning set forth in [Section 3.03](#).

Section 1.30 “Permits” means all permits, licenses, franchises, approvals, registrations, certificates, variances, and similar rights obtained, or required to be obtained, from governmental authorities.

Section 1.31 “Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

Section 1.32 “Purchase Price” shall have the meaning set forth in [Section 2.02](#).

Section 1.33 “Securities Act” means the U.S. Securities Act of 1933, as amended.

Section 1.34 “SEC Reports” shall have the meaning set forth in [Section 4.06](#).

ARTICLE II PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, the Seller shall sell to the Buyer, and the Buyer shall purchase from the Seller, all of Seller’s rights, title, and interests in and to the Membership Interest, free and clear of any Encumbrance, for the consideration specified in [Section 2.02](#). At the Closing, the Company shall become a subsidiary of the Buyer. For purposes of this Agreement, all of the Seller’s rights, title, and interests in and to the Membership Interest shall include, but are not limited to: (a) Seller’s capital accounts in the Company; (b) Seller’s rights to share in the profits and losses of the Company; (c) Seller’s rights to receive distributions from the Company; and (d) the exercise of all member rights, including the voting rights attributable to the Membership Interest.

Section 2.02 Purchase Price. The aggregate purchase price for the Membership Interest (the “Purchase Price”) is comprised of the following payments:

(a) **Closing Date Stock Consideration.** On the Closing Date, the Buyer will deliver to the Seller: 7,500,000 shares of restricted Common Stock of the Buyer (the “Common Stock Consideration”); and

(b) **Closing Cash Consideration.** Within 12 weeks of the Closing Date, the Buyer will pay to the Seller \$500,000 to an account to be designated by the Seller, in writing (the “Cash Consideration”).

Section 2.03 Closing. The Closing shall take place simultaneously on the Closing Date remotely via the electronic exchange of signatures. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. (EST) on the Closing Date.

Section 2.04 Transfer Taxes. The Buyer shall pay, and shall reimburse the Seller (up to fifty percent (50%) of the proven costs) for, any sales, use, or transfer taxes, documentary charges, recording fees, or similar taxes, charges, fees, or expenses, if any, that become due and payable as a result of the transactions contemplated by this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer that the statements contained in this ARTICLE III are true and correct as of the Closing Date. For purposes of this ARTICLE III, "Seller's knowledge," "knowledge of the Seller," and any similar phrases shall mean the actual or constructive knowledge of Seller, after reasonable inquiry.

Section 3.01 Capacity and Authority of the Seller; Enforceability. The Seller has full capacity, power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Seller, and (assuming due authorization, execution, and delivery by the Buyer) this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms.

Section 3.02 Organization, Authority, and Qualification/Organization of the Company. The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Pennsylvania. The Company has full limited liability company power and authority to own, operate, or lease the properties and assets now owned, operated, or leased by it and to carry on its business as it has been and is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which it owns or leases property, to the extent that such licensing or qualifications are necessary.

Section 3.03 No Conflicts; Consents. The execution, delivery, and performance by the Seller of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the Governing Documents of the Company; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to the Seller or the Company; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration, or modification of, any obligation or loss of any benefit under any contract or other instrument to which the Seller or the Company is a party; (d) result in any violation, conflict with, or constitute a default under the Company's Governing Documents, including the certificate of formation of the Company filed with the Pennsylvania Secretary of State on May 6, 2013 (as amended or restated, the "**Certificate of Formation**") and the operating agreement of the Company dated April 19, 2013 (as amended or restated, the "**Operating Agreement**"); or (e) result in the creation or imposition of any Encumbrance on the Membership Interest. No consent, approval, waiver, or authorization is required to be obtained by the Seller or the Company from any Person in connection with the execution, delivery, and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.04 Legal Proceedings; No Material Adverse Effect. There is no Action of any nature pending or, to Seller's knowledge, threatened: (a) against or by the Seller relating to or affecting the Membership Interest; or (b) against or by the Seller or the Company that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. There is no Action against any current, or to the Seller's knowledge, former member, manager, or employee of the Company with respect to which the Company has, or is reasonably likely to have, an indemnification obligation. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action. No circumstance or state of affairs exists that would reasonably be expected to result in a material adverse effect on the Company's long-term project assets, liabilities, condition (financial or otherwise) or results of operations.

Section 3.05 Ownership of Membership Interest.

(a) The Seller is the sole legal, beneficial, record, and equitable owner of the Membership Interest, free and clear of all Encumbrances whatsoever. The Membership Interest constitutes 60% of the issued and outstanding equity interests in the Company. There are no outstanding warrants, options, agreements or any other instruments that give any Person the right to purchase, subscribe for or otherwise acquire any equity interests in the Company.

(b) The Membership Interest was issued in compliance with applicable laws. The Membership Interest was not issued in violation of the Governing Documents of the Company or any other agreement, arrangement, or commitment to which Seller or the Company are a party and are not subject to or in violation of any preemptive or similar rights of any Person.

(c) Other than the Governing Documents of the Company, there are no voting trusts, proxies, or other agreements or understandings in effect with respect to the voting or transfer of any part of the Membership Interest.

Section 3.06 Governing Documents. Attached hereto as **Exhibits A** and **B** are the Certificate of Formation and the Operating Agreement of the Company, which documents are in full force and effect and are the only documents in effect with respect to the matters described therein.

Section 3.07 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Seller.

Section 3.08 Compliance with Laws; Permits.

(a) The Company has complied, and is now complying, in all material respects, with all statutes, laws, ordinances, regulations, rules, codes, treaties, or other requirements of any governmental authority applicable to it or its business, properties, or assets.

(b) All Permits that are required for the Company to conduct its business have been obtained and are valid and in full force and effect. No event has occurred that would reasonably be expected to result in the revocation or lapse of any such Permit.

Section 3.09 Taxes. To the Seller's knowledge: (a) all tax returns (including information returns) required to be filed on or before the Closing Date by the Company have been timely filed; (b) all such tax returns are true, complete, and correct in all respects; (c) all taxes due and owing by the Company (whether or not shown on any tax return) have been timely paid; (d) all deficiencies asserted, or assessments made, against the Company as a result of any examinations by any taxing authority have been fully paid; and (e) there are no known pending or threatened actions by any taxing authority.

Section 3.10 Due Diligence. The Seller is a "knowledgeable employee" (as such term is defined under Rule 501 of Regulation D under the Securities Act and 17 CFR § 270.3c-5(a)) and has reviewed the public filings of the Buyer. The Seller and its representatives, if any, have been given the opportunity to conduct satisfactory due diligence of the Buyer, and have been given the opportunity to speak with the Buyer's management during its due diligence.

Section 3.11 Investment Purpose. The Seller is acquiring the Common Stock Consideration solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. The Seller acknowledges that the Common Stock Consideration is not registered under the Securities Act, or registered under any state securities laws, and that the Common Stock Consideration may not be transferred or sold except pursuant to the registration provisions of the Securities Act, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller that the statements contained in this ARTICLE IV are true and correct as of the Closing Date. For purposes of this ARTICLE IV, “Buyer’s knowledge,” “knowledge of the Buyer,” and any similar phrases shall mean the actual or constructive knowledge of any director or officer of the Buyer, after reasonable inquiry.

Section 4.01 Capacity/Organization and Authority of Buyer; Enforceability. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. The Buyer has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. The execution, delivery, and performance by the Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Buyer and, assuming due authorization, execution, and delivery by the Seller, this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of the Buyer enforceable against the Buyer in accordance with their respective terms.

6

Section 4.02 No Conflicts; Consents. The execution, delivery, and performance by the Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, bylaws, or other Governing Documents of the Buyer; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to the Buyer; or (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration, or modification of, any obligation or loss of any benefit under any contract or other instrument to which the Buyer is a party. Except as stated in **Schedule 4.02** of the Disclosure Schedules hereto, no consent, approval, waiver, or authorization is required to be obtained by the Buyer from any Person in connection with the execution, delivery, and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.03 Investment Purpose. The Buyer is acquiring the Membership Interest solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. The Buyer acknowledges that the Membership Interest is not registered under the Securities Act, or registered under any state securities laws, and that the Membership Interest may not be transferred or sold except pursuant to the registration provisions of the Securities Act, the terms of the Operating Agreement and Governing Documents of Company, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

Section 4.04 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder’s, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Buyer.

Section 4.05 Legal Proceedings. There is no Action of any nature pending or, to the Buyer’s knowledge, threatened against or by the Buyer that (i) challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement or (ii) could result in any material liability to the Buyer. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 4.06 SEC Reports; Financial Statements. The Buyer has filed all reports, schedules, forms, statements and other documents required to be filed by the Buyer under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Buyer was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, together with a prospectus and a prospectus supplement, being collectively referred to herein as the “SEC Reports”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Buyer included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Buyer and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

Section 4.07 No Material Adverse Effect. Since the date of the Buyer’s latest Quarterly Report on Form 10-Q, there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect.

7

Section 4.08 Capitalization.

(a) **Schedule 4.08(a)** of the Disclosure Schedules sets forth the outstanding capitalization of the Buyer as of the date of this Agreement.

(b) Except as set forth on Schedule 4.08(b) of the Disclosure Schedule, there is no: (i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any securities of the Buyer; (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any securities of the Buyer; (iii) condition or circumstance that is reasonably likely to give rise to or provide a basis for the assertion of a claim by any person to the effect that such Person is entitled to acquire or receive any securities of the Buyer; or (iv) outstanding or authorized equity appreciation, phantom equity, profit participation or other similar rights with respect to the Buyer.

Section 4.09 Absence of Undisclosed Liabilities. The Buyer does not have any liability, indebtedness, obligation or expense of any kind, whether accrued, absolute, contingent, matured or unmatured (whether or not required to be reflected in the financial statements in accordance with GAAP) (each a “**Liability**”), individually or in the aggregate, except for: (a) Liabilities disclosed, reflected or reserved against in the latest Quarterly Report on Form 10-Q; (b) normal and recurring current Liabilities that have been incurred by the Buyer since the date of its latest Quarterly Report on Form 10-Q in the ordinary course of business and which are not in excess of \$100,000 in the aggregate or disclosed in the Buyer’s Current Reports on Form 8-K; (c) Liabilities for performance of obligations of the Company under existing contracts (other than for breach thereof); (d) Liabilities incurred in connection with the transactions contemplated by this Agreement; and (e) Liabilities which would not, individually or in the aggregate, reasonably be expected to be material to the Company.

ARTICLE V
CLOSING DELIVERABLES

Section 5.01 Seller’s Deliverables. At the Closing, the Seller shall deliver to the Buyer the following:

(a) The assignment and assumption agreement, in the form attached hereto as **Exhibit C** (the “**Assignment and Assumption**”), executed by the Seller.

(b) Simultaneously with the execution and delivery of this Agreement, Buyer agrees to employ the members, managers, and officers of Company pursuant to the terms of the employment agreements attached hereto as **Exhibit D**.

(c) A statement from the Company meeting the requirements of Treasury Regulations Section 1.1445-11T(d)(2)(i) certifying that transfers of interests in the Company are not subject to withholding under Section 1445 of the Code and the Treasury Regulations thereunder or a certification dated as of the Closing Date sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445(b)(3) of the Code, stating that the Company is not and has not been a “United States real property holding corporation” (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, as applicable.

(d) A Form W-8 completed by the Seller.

Section 5.02 Buyer’s Deliverables.

(a) At the Closing, the Buyer shall deliver the following to the Seller:

1. The Common Stock Consideration;

2. The Assignment and Assumption, executed by Buyer.

3. A certificate of the principal executive officer of the Buyer certifying as to: (i) the resolutions of the board of directors of the Buyer, duly adopted and in full force and effect, which authorize the execution, delivery, and performance of this Agreement and the transactions contemplated hereby; and (ii) the names and signatures of the officers of Buyer authorized to sign this Agreement and the documents to be delivered hereunder.

8

4. Within 12 weeks of Closing, the Buyer shall deliver to the Seller the Cash Consideration.

ARTICLE VI TAX MATTERS

Section 6.01 Tax Return and Tax Audit Procedures. The Seller shall facilitate the making or otherwise cause the Company to make an election under Section 6226 of the Code with respect to any tax proceeding relating to a taxable period ending on or before the Closing Date as to which such an election is available. Sellers shall prepare or cause to be prepared any Internal Revenue Service Form 1065 or Form 1120, as applicable (and any similar form or forms for state and local income tax purposes), that is required to be filed by or with respect to the Company after the Closing Date with respect to any taxable period ending on or before the Closing Date. If the Seller is not authorized under applicable law to execute and file aforementioned tax return, the Buyer shall execute and file (or cause to be filed) such tax returns, as prepared by the Seller, with the appropriate taxing authority. The Buyer shall not, and shall not cause or permit the Company to (i) amend any tax returns filed with respect to any taxable period ending on or before the Closing Date or (ii) make any tax election that has retroactive effect to any such year, in each case, without the prior written consent of the Seller. The Buyer agrees that, as applicable, (x) the Company will join the consolidated income tax return group of which the Buyer is the parent corporation for U.S. federal income tax purposes (and for purposes of any similar applicable state, local or foreign laws) at the end of the Closing Date pursuant to Treasury Regulation Section 1.1502-76(b)(1)(ii)(A) and (y) as a result, the Company will have a short tax year ending on (and including) the Closing Date and will be included in the consolidated group’s U.S. federal (and similar applicable state, local or foreign) income tax returns starting the day after the Closing Date.

ARTICLE VII INDEMNIFICATION

Section 7.01 Survival of Representations and Covenants. All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive the Closing.

Section 7.02 Indemnification by the Seller. Subject to the other terms and conditions of this ARTICLE VII, the Seller shall defend, indemnify, and hold harmless the Buyer, its Affiliates, and their respective directors, managers, officers, and employees from and against:

(a) a Loss arising from or relating to any inaccuracy in or breach of any of the representations or warranties of the Seller contained in this Agreement or any document delivered in connection herewith; or

(b) any Loss arising from or relating to any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by the Seller pursuant to this Agreement or any document delivered in connection herewith.

The Seller shall have no liability (for indemnification or otherwise) with respect to claims under Section 7.02 until the total of all damages with respect to such matters exceeds \$10,000 and then only for an amount up to \$150,000.

Section 7.03 Indemnification by the Buyer. Subject to the other terms and conditions of this ARTICLE VII, the Buyer shall defend, indemnify, and hold harmless the Seller from and against all Losses arising from or relating to:

(a) any inaccuracy in or breach of any of the representations or warranties of the Buyer contained in this Agreement or any document delivered in connection herewith; or

9

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by the Buyer pursuant to this Agreement or any document delivered in connection herewith.

The Buyer shall have no liability (for indemnification or otherwise) with respect to claims under Section 7.03 until the total of all damages with respect to such matters exceeds \$10,000 and then only for an amount up to \$150,000.

Section 7.04 Indemnification Procedures. No claim for indemnification may be asserted 18 months after the Effective Date. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the “**Indemnified Party**”) shall promptly provide written notice of such claim to the other party (the “**Indemnifying**”).

Party"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations hereunder. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld or delayed.

Section 7.05 Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this ARTICLE VII, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such agreement or final, non-appealable adjudication by wire transfer of immediately available funds. In addition to any rights of setoff or other similar rights that the Buyer may have at common law or otherwise, and notwithstanding anything to the contrary herein, the Buyer shall have the right to withhold and deduct from any payment under Section 2.02(b) that would be otherwise payable hereunder any sum that (i) is owed to the Buyer under this ARTICLE VII, subject to the limitations in this ARTICLE VII or (ii) the Buyer reasonably and in good faith believes may be owed to it or any Buyer Indemnified Party under this ARTICLE VII, subject to the limitations in this ARTICLE VII. The Buyer shall exercise the foregoing right of setoff by delivering a written notice to the Seller. If the amount of any Losses relating to claims for indemnification made by the Buyer that is setoff against any payment under Section 2.02(b) is finally determined, and no longer subject to appeal, not to be owed to the Buyer pursuant to the terms hereof, such setoff amount shall be promptly funded with interest, and in any event within 20 Business Days, by the Buyer to the Seller and distributed as set forth in this ARTICLE VII.

Section 7.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by applicable law.

Section 7.07 Effect of Investigation. The right to indemnification or other remedy based on the representations, warranties, covenants, and agreements contained herein will not be affected by any investigation conducted by a party to this Agreement, or any knowledge acquired by a party to this Agreement at any time, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or agreement.

Section 7.08 Exclusive Remedies. The rights and remedies provided in this ARTICLE VII are exclusive and in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Expenses. Except as otherwise provided in Section 2.05, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

10

Section 8.02 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 8.03 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

If to Seller:	J. Merlin Benner 2780 Hills Creek Road Wellsboro, PA 16901 E-mail: merlin@wildlife-specialists.com
with a copy to: (which shall not constitute notice)	Ozdinec & Witzel, LLC One Landmark North 20399 Route 19, STE 206 Cranberry Twp., PA 16066 Email: mozdinec@ozwitz.com Attention: Michael Ozdinec
If to Buyer:	DarkPulse, Inc. 1345 Ave of the Americas 2 nd Floor New York, NY 10105 Email: doleary@darkpulse.com
with a copy to: (which shall not constitute notice)	Business Legal Advisors, LLC 14888 Auburn Sky Drive Draper, UT 84020 Email: brian@businesslegaladvisor.com Attention: Brian Higley

Section 8.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.05 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify the Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.06 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the terms and provisions in the body of this Agreement and those in the documents delivered in connection herewith, the Exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the terms and provisions in the body of this

Agreement shall control.

Section 8.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

11

Section 8.08 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Amendment and Modification. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.

Section 8.10 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 8.11 Governing Law. This Agreement and all related documents shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

Section 8.12 Submission to Jurisdiction. Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in the City of New York and County of New York, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

Section 8.13 Attorney Fees. In the event of any dispute between the parties concerning the terms and provisions of this Agreement, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

Section 8.14 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 8.15 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Each party hereto: (a) agrees that it shall not oppose the granting of such specific performance or relief; and (b) hereby irrevocably waives any requirements for the security or posting of any bond in connection with such relief.

Section 8.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

12

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

SELLER:

By: /s/ J. Merlin Benner
Name: J. Merlin Benner

BUYER:

DARKPULSE, INC.
a Delaware corporation

By: /s/ Dennis O'Leary
Name: Dennis O'Leary
Title: Chief Executive Officer

13

EXHIBIT A

Certificate of Formation

[TO BE ATTACHED]

14

EXHIBIT B

Operating Agreement

[TO BE ATTACHED]

15

EXHIBIT C

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST
(Remote Intelligence, Limited Liability Company)

THIS ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST (this “**Assignment**”) is dated as of August 30, 2021, by and among J. Merlin Benner, an individual (the “**Assignor**”) and **DARKPULSE, INC.**, a Delaware corporation (the “**Assignee**”), recites and provides as follows:

RECITALS:

WHEREAS, the Assignor is the owner of an aggregate sixty percent (60.0%) Membership Interest in Remote Intelligence, Limited Liability Company, a Pennsylvania limited liability company (the “**Company**”); and

WHEREAS, pursuant to the Membership Purchase Agreement dated August 30, 2021 between the Assignor and the Assignee (the “**Purchase Agreement**”), the Assignor proposes to assign, transfer and sell to Assignee a sixty percent (60.0%) Membership Interest in the Company (the “**Assigned Interest**”) by the execution and delivery of this Assignment and Assumption Agreement. The Assignor now wishes to assign and transfer to the Assignee all of the Assignor’s right, title and interest in and to the Assigned Interest.

ASSIGNMENT AND ASSUMPTION AGREEMENT:

For and in consideration of the Purchase Price (as defined in the Purchase Agreement), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Assignment.** The Assignor hereby sells, conveys, assigns and transfers to the Assignee all of the Assignor’s rights, title and interests in and to the Assigned Interest subject to the terms and conditions of that certain Operating Agreement of the Company dated April 19, 2013 (the “**Operating Agreement**”).
2. **Acceptance, Assumption and Indemnity by Assignee.** The Assignee (a) accepts the assignment of all of the Assignor’s rights, titles and interests in and to the Assigned Interest, (b) agrees to be bound by all of the terms, covenants and conditions of the Operating Agreement, and (c) assume the obligations and liabilities of the Assignor under the Operating Agreement from and after the date hereof with respect to the Assigned Interests. From and after the date hereof, the Assignor shall not have any obligations or liabilities with respect to the Assigned Interest, including without limitation, the obligation to make capital contributions.
3. **Representations of Assignee.** Assignee has been advised that the Assigned Interest is not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), nor under the Pennsylvania Securities Act of 1972 and represents, warrants and agrees as follows: (a) that Assignee is entering into an agreement and is acquiring the securities represented for Assignee’s own account, solely for investment purposes, and not with a view to resale of said securities; (b) that Assignee has such knowledge and experience in business and financial matters which enables Assignee to be capable of evaluating the risks and merits of this investment; (c) that Assignee is able to bear the economic risks of this investment; (d) that any security that may be issued will not be resold or otherwise transferred or assigned without appropriate compliance with the registration provisions of the Securities Act and applicable State blue sky laws or exemption therefrom; and (e) that Assignee has been provided with or permitted access to all information which Assignee deems material to formulating an investment decision and that such information has been sufficient to make an informed investment decision.

16

4. **Representations of Assignor.** Assignor represents it has obtained all required consents pursuant to the Operating Agreement.
5. **Release and Termination.** The Assignee hereby releases the Assignor from all obligations related to the Assigned Interest or as otherwise incurred by Assignor under the terms of the Operating Agreement with respect to the Assigned Interest.
6. **Further Assurances.** The Assignor, at no cost to Assignor, and Assignee hereby covenant and agree to execute and deliver, or cause to be executed and delivered, and to do or make, or cause to be done or made, any and all instruments, papers, deeds, acts or things, supplemental, confirmatory or otherwise, as may be reasonably required for the purpose of effecting the assignment described herein.
7. **Completeness and Modification.** This Assignment constitutes the entire agreement between the parties hereto as to the subject matter hereof and, in addition to the Purchase Agreement, supersedes all prior discussions, understandings or agreements between the parties hereto.
8. **Counterparts.** To facilitate execution, this Assignment may be executed in as many counterparts as may be required. It shall not be necessary that the signature on behalf of both parties hereto appear on each counterpart hereof, and it shall be sufficient that the signature on behalf of each party hereto appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. This Assignment (or counterpart thereof) signed by one or more of the parties and delivered by facsimile shall be effective as an original.

(SIGNATURE PAGE TO FOLLOW)

17

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed by their duly authorized representatives as of the date of this Assignment.

ASSIGNOR:

/s/ J. Merlin Benner,
J. Merlin Benner, an Individual

ASSIGNEE:

DARKPULSE, INC.

By: /s/ Dennis O'Leary
Name: Dennis O'Leary
Title: Chief Executive Officer

The undersigned execute this Assignment to evidence their consent to the assignment of Assigned Interest from J. Merlin Benner to DarkPulse, Inc.

/s/ Phillip Benner
PHILLIP BENNER

/s/ Jonas Benner
JONAS BENNER

/s/ Benjamin Benner
BENJAMIN BENNER

/s/ Angelica Benner
ANGELICA BENNER

18

EXHIBIT D
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into by and between DarkPulse, Inc., a Delaware corporation ("Employer") and _____ ("Employee") upon execution of the Membership Interest Purchase Agreement. In consideration of the mutual covenants and agreements set forth below, and intending to be legally bound, the parties agree as follows:

ARTICLE 1. TERM OF EMPLOYMENT

1.01. Employer shall continue the employment of Employee and Employee accepts continued employment by Employer for a period of 36 months beginning upon the execution of the Membership Interest Purchase Agreement subject, however, to prior termination of this Employment Agreement as provided below.

ARTICLE 2. DUTIES OF EMPLOYEE

Duties

2.01. Employee is employed as _____ and shall work at _____ [e.g., the main office of Company, located at _____ (address)] and at any other place or places as directed by Employer. Employee shall _____ [set forth duties, e.g., carefully and accurately prepare and keep books of account and balance sheets and perform all duties commonly discharged by bookkeepers and any other duties of a similar nature that may be required from time to time by Employer].

Changes of Duties—Mutual Consent

2.02. The duties of Employee may be changed from time to time by the mutual consent of Employer and Employee without resulting in a rescission of this Employment Agreement. Notwithstanding any change in duties, the employment of Employee shall be construed as continuing under this Employment Agreement.

ARTICLE 3. COMPENSATION

Basic Compensation

3.01. As compensation for services rendered under this Employment Agreement, Employee shall be entitled to receive from Employer a salary of \$ _____ per year, payable in equal _____ [specify time period, e.g., weekly or semimonthly] installments of \$ _____ on _____ [specify payment date or dates, e.g., Friday of each week or the fifteenth day and the final day of each month], during the period of employment.

19

Changes in Rate of Compensation

3.02. As compensation for services rendered under this Employment Agreement, Employee shall be entitled to an annual increase in his or her basic rate of compensation provided in Paragraph 3.01 above. Beginning one year after the date of this Employment Agreement, the basic rate of compensation specified in Paragraph 3.01 shall be increased to _____ [specify increased rate]. Beginning two years after the date of this Employment Agreement, the basic rate of compensation specified in Paragraph 3.01 shall be increased to _____ [specify increased rate].

ARTICLE 4. EMPLOYEE BENEFITS AND BONUSES

4.01. Employer agrees that Employee may obtain and receive any medical and dental benefits, insurance benefits, bonuses compensation, and/or vacation and holiday pay as set forth in the Company’s employment handbook.

Continuation of Salary

4.02. If Employee becomes disabled during the employment term because of sickness, physical or mental disability, or any other reason, so that he or she is unable to perform his or her duties under this Employment Agreement, Employer agrees to continue Employee’s salary or pay Employee fifty percent (50%) of his or her salary during the disability but not beyond the date specified in this Employment Agreement for the end of the employment term.

ARTICLE 5. TERMINATION

By Employer for Cause

5.01. If Employee willfully breaches or habitually neglects the duties that he or she is required to perform under this Employment Agreement or required to perform under the Company’s employment handbook, Employer may terminate this Employment Agreement by giving written notice of termination to Employee without prejudice to any other remedy to which Employer may be entitled either at law, in equity, or under this Employment Agreement.

Effect of Termination on Compensation

5.02. If this Employment Agreement is terminated prior to the completion of the term of employment specified in paragraph 1.01, Employee shall be entitled to the compensation earned prior to the date of termination computed pro rata up to and including that date. Employee shall be entitled to no further compensation as of the date of termination.

Dated: _____

EMPLOYER

DarkPulse, Inc.

By: _____ [signature]
[typed name and title]

EMPLOYEE

_____ [signature]
[typed name]

Schedule 4.02

1. On _____, the Buyer received the written consent of FIRSTFIRE GLOBAL OPPORTUNITIES FUND, LLC, a Delaware limited liability company (the “Lender”) to enter into the Agreement.
2. _____

Schedule 4.08(a)

Capitalization of the Buyer

As of the Closing Date, the capitalization of the Buyer is as follows:

1. Issued and Outstanding Common Stock - _____ shares;
2. Issued and Outstanding Series D Preferred Stock – 88,235 shares; and
3. Notes Convertible into Shares of Common Stock - _____
-
-
-
-

MEMBERSHIP INTEREST PURCHASE AGREEMENT

Between

J. MERLIN BENNER

And

DARKPULSE, INC.

dated as of August 30, 2021

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this “**Agreement**”), dated as of August 30, 2021 (the “**Effective Date**”), is entered into between J. Merlin Benner, a member owning a majority equity interest Wildlife Specialists, Limited Liability Company, a Pennsylvania limited liability company (the “**Seller**”), and DarkPulse, Inc., a Delaware corporation (the “**Buyer**” or “**DarkPulse**”).

RECITALS

WHEREAS, The Seller owns 60% of the outstanding membership interests (the “**Membership Interest**”) in Wildlife Specialists, Limited Liability Company, a limited liability company organized and existing under the laws of the Commonwealth of Pennsylvania (the “**Company**”); and

WHEREAS, the Seller wishes to sell to the Buyer, and the Buyer wishes to purchase from the Seller, the Membership Interest, subject to the terms and conditions set forth herein.

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

ARTICLE I
DEFINITIONS

Section 1.01 “Action” means a claim, action, suit, proceeding, or governmental investigation.

Section 1.02 “Affiliate” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

Section 1.03 “Assignment and Assumption” shall have the meaning set forth in Section 5.01(a).

Section 1.04 “Business Day” means any day of the year other than a Saturday or Sunday or any day on which banks in the State of New York are required or permitted to be closed.

Section 1.05 “Cash Consideration” shall have the meaning set forth in Section 2.02(b).

Section 1.06 “Certificate of Formation” shall have the meaning set forth in Section 3.03.

Section 1.07 “Change of Control Transaction” means the occurrence after the date hereof of any of (a) an acquisition from the Buyer by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of in excess of 50% of the voting securities of the Buyer (other than by the Sellers or its Affiliates), (b) the Buyer merges into or consolidates with any other Person, or any Person merges into or consolidates with the Buyer and, after giving effect to such transaction, the stockholders of the Buyer immediately prior to such transaction own less than 50% of the aggregate voting power of the Buyer or the successor entity of such transaction, or (c) the Buyer sells, licenses or transfers all or substantially all of the assets of the Company.

Section 1.08 “Closing” means the closing of the transactions contemplated by this Agreement.

Section 1.09 “Closing Date” is the same as the Effective Date.

Section 1.10 “Code” means the Internal Revenue Code of 1986, as amended.

Section 1.11 “Common Stock” means the common stock of the Buyer, par value \$0.0001, and any other class of securities into which such securities may hereafter be reclassified or changed.

Section 1.12 “Common Stock Consideration” shall have the meaning set forth in Section 2.02(a).

Section 1.13 “Common Stock Equivalents” means any securities of the Buyer or its subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

Section 1.14 “Confidential Information” means any information with respect to the Company, including methods of operation, customer lists, products, prices, fees, costs, technology, inventions, trade secrets, know-how, software, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters. “**Confidential Information**” does not include, and there shall be no obligation hereunder with respect to, information that (i) is generally available to the public on the date of this Agreement or (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible hereunder.

Section 1.15 “Contract” means any contract, agreement, indenture, note, bond, mortgage, loan, instrument, lease, license, commitment or other arrangement, understanding, undertaking, commitment or obligation, whether written or oral.

Section 1.16 The term “**control**” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

Section 1.17 “Disclosure Schedules” means the Disclosure Schedules delivered by the Buyer concurrently with the execution and delivery of this Agreement.

Section 1.18 “Encumbrance” means any mortgage, pledge, lien, charge, security interest, community property interest, claim, or other encumbrance.

Section 1.19 “Exchange Act” the U.S. Securities Exchange Act of 1934, as amended.

Section 1.20 “Exempt Issuance” means the issuance and sale of (a) shares of Common Stock or options to employees, officers or directors of the Buyer pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Buyer’s board of directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Buyer; (b) securities upon the exercise or exchange of securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Buyer, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Buyer and shall provide to the Buyer significant benefits in addition to the investment of funds.

Section 1.21 “GAAP” means generally accepting accounting principles in the United States of America.

Section 1.22 “Governing Documents” means, with respect to an entity, the entity’s articles of incorporation, articles of organization, certificate of incorporation, certificate of formation, charter, bylaws, operating agreement, Operating Agreement, or other certificates, instruments, documents, or agreements adopted to govern the formation or internal affairs of the entity, as applicable, including any and all amendments or restatements to such documents.

Section 1.23 “Governmental Authorities” means any court, tribunal, arbitrator, agency, commission, department, ministry, official, authority, or other instrumentality of any national, state, county, city, or other political subdivision.

Section 1.24 “Indemnified Party” shall have the meaning set forth in [Section 7.04](#).

Section 1.25 “Indemnifying Party” shall have the meaning set forth in [Section 7.04](#).

Section 1.26 “Liability” shall have the meaning set forth in [Section 4.09](#).

3

Section 1.27 “Loss” means all claims, judgments, damages, liabilities, settlements, losses, costs, and expenses, including reasonable attorneys’ fees and disbursements.

Section 1.28 “Material Adverse Effect” means any result, occurrence, fact, change, event or effect that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the long-term projected business, operations, assets, liabilities, condition (financial or otherwise) or results of, in each case, of the Buyer and its subsidiaries taken as a whole.

Section 1.29 “Operating Agreement” shall have the meaning set forth in [Section 3.03](#).

Section 1.30 “Permits” means all permits, licenses, franchises, approvals, registrations, certificates, variances, and similar rights obtained, or required to be obtained, from governmental authorities.

Section 1.31 “Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

Section 1.32 “Purchase Price” shall have the meaning set forth in [Section 2.02](#).

Section 1.33 “Securities Act” means the U.S. Securities Act of 1933, as amended.

Section 1.34 “SEC Reports” shall have the meaning set forth in [Section 4.06](#).

ARTICLE II PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, the Seller shall sell to the Buyer, and the Buyer shall purchase from the Seller, all of Seller’s rights, title, and interests in and to the Membership Interest, free and clear of any Encumbrance, for the consideration specified in [Section 2.02](#). At the Closing, the Company shall become a subsidiary of the Buyer. For purposes of this Agreement, all of the Seller’s rights, title, and interests in and to the Membership Interest shall include, but are not limited to: (a) Seller’s capital accounts in the Company; (b) Seller’s rights to share in the profits and losses of the Company; (c) Seller’s rights to receive distributions from the Company; and (d) the exercise of all member rights, including the voting rights attributable to the Membership Interest.

Section 2.02 Purchase Price. The aggregate purchase price for the Membership Interest (the “**Purchase Price**”) is comprised of the following payments:

(a) **Closing Date Stock Consideration.** On the Closing Date, the Buyer will deliver to the Seller: 7,500,000 shares of restricted Common Stock of the Buyer (the “**Common Stock Consideration**”); and

(b) **Closing Cash Consideration.** Within 12 weeks of the Closing Date, the Buyer will pay to the Seller \$500,000 to an account to be designated by the Seller, in writing (the “**Cash Consideration**”).

Section 2.03 Closing. The Closing shall take place simultaneously on the Closing Date remotely via the electronic exchange of signatures. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. (EST) on the Closing Date.

Section 2.04 Transfer Taxes. The Buyer shall pay, and shall reimburse the Seller (up to fifty percent (50%) of the proven costs) for, any sales, use, or transfer taxes, documentary charges, recording fees, or similar taxes, charges, fees, or expenses, if any, that become due and payable as a result of the transactions contemplated by this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer that the statements contained in this ARTICLE III are true and correct as of the Closing Date. For purposes of this ARTICLE III, "Seller's knowledge," "knowledge of the Seller," and any similar phrases shall mean the actual or constructive knowledge of Seller, after reasonable inquiry.

Section 3.01 Capacity and Authority of the Seller; Enforceability. The Seller has full capacity, power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Seller, and (assuming due authorization, execution, and delivery by the Buyer) this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms.

Section 3.02 Organization, Authority, and Qualification/Organization of the Company. The Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Pennsylvania. The Company has full limited liability company power and authority to own, operate, or lease the properties and assets now owned, operated, or leased by it and to carry on its business as it has been and is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which it owns or leases property, to the extent that such licensing or qualifications are necessary.

Section 3.03 No Conflicts; Consents. The execution, delivery, and performance by the Seller of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the Governing Documents of the Company; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to the Seller or the Company; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration, or modification of, any obligation or loss of any benefit under any contract or other instrument to which the Seller or the Company is a party; (d) result in any violation, conflict with, or constitute a default under the Company's Governing Documents, including the certificate of formation of the Company filed with the Pennsylvania Secretary of State on May 6, 2013 (as amended or restated, the "**Certificate of Formation**") and the operating agreement of the Company dated April 19, 2013 (as amended or restated, the "**Operating Agreement**"); or (e) result in the creation or imposition of any Encumbrance on the Membership Interest. No consent, approval, waiver, or authorization is required to be obtained by the Seller or the Company from any Person in connection with the execution, delivery, and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.04 Legal Proceedings; No Material Adverse Effect. There is no Action of any nature pending or, to Seller's knowledge, threatened: (a) against or by the Seller relating to or affecting the Membership Interest; or (b) against or by the Seller or the Company that challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. There is no Action against any current, or to the Seller's knowledge, former member, manager, or employee of the Company with respect to which the Company has, or is reasonably likely to have, an indemnification obligation. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action. No circumstance or state of affairs exists that would reasonably be expected to result in a material adverse effect on the Company's long-term project assets, liabilities, condition (financial or otherwise) or results of operations.

Section 3.05 Ownership of Membership Interest.

(a) The Seller is the sole legal, beneficial, record, and equitable owner of the Membership Interest, free and clear of all Encumbrances whatsoever. The Membership Interest constitutes 60% of the issued and outstanding equity interests in the Company. There are no outstanding warrants, options, agreements or any other instruments that give any Person the right to purchase, subscribe for or otherwise acquire any equity interests in the Company.

(b) The Membership Interest was issued in compliance with applicable laws. The Membership Interest was not issued in violation of the Governing Documents of the Company or any other agreement, arrangement, or commitment to which Seller or the Company are a party and are not subject to or in violation of any preemptive or similar rights of any Person.

(c) Other than the Governing Documents of the Company, there are no voting trusts, proxies, or other agreements or understandings in effect with respect to the voting or transfer of any part of the Membership Interest.

Section 3.06 Governing Documents. Attached hereto as **Exhibits A** and **B** are the Certificate of Formation and the Operating Agreement of the Company, which documents are in full force and effect and are the only documents in effect with respect to the matters described therein.

Section 3.07 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Seller.

Section 3.08 Compliance with Laws; Permits.

(a) The Company has complied, and is now complying, in all material respects, with all statutes, laws, ordinances, regulations, rules, codes, treaties, or other requirements of any governmental authority applicable to it or its business, properties, or assets.

(b) All Permits that are required for the Company to conduct its business have been obtained and are valid and in full force and effect. No event has occurred that would reasonably be expected to result in the revocation or lapse of any such Permit.

Section 3.09 Taxes. To the Seller's knowledge: (a) all tax returns (including information returns) required to be filed on or before the Closing Date by the Company have been timely filed; (b) all such tax returns are true, complete, and correct in all respects; (c) all taxes due and owing by the Company (whether or not shown on any tax return) have been timely paid; (d) all deficiencies asserted, or assessments made, against the Company as a result of any examinations by any taxing authority have been fully paid; and (e) there are no known pending or threatened actions by any taxing authority.

Section 3.10 Due Diligence. The Seller is a "knowledgeable employee" (as such term is defined under Rule 501 of Regulation D under the Securities Act and 17 CFR § 270.3c-5(a)) and has reviewed the public filings of the Buyer. The Seller and its representatives, if any, have been given the opportunity to conduct satisfactory due diligence of the Buyer, and have been given the opportunity to speak with the Buyer's management during its due diligence.

Section 3.11 Investment Purpose. The Seller is acquiring the Common Stock Consideration solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. The Seller acknowledges that the Common Stock Consideration is not registered under the Securities Act, or registered under any state securities laws, and that the Common Stock Consideration may not be transferred or sold except pursuant to the registration provisions of the Securities Act, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller that the statements contained in this ARTICLE IV are true and correct as of the Closing Date. For purposes of this ARTICLE IV, “Buyer’s knowledge,” “knowledge of the Buyer,” and any similar phrases shall mean the actual or constructive knowledge of any director or officer of the Buyer, after reasonable inquiry.

Section 4.01 Capacity/Organization and Authority of Buyer; Enforceability. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. The Buyer has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby. The execution, delivery, and performance by the Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Buyer and, assuming due authorization, execution, and delivery by the Seller, this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of the Buyer enforceable against the Buyer in accordance with their respective terms.

6

Section 4.02 No Conflicts; Consents. The execution, delivery, and performance by the Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, bylaws, or other Governing Documents of the Buyer; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to the Buyer; or (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration, or modification of, any obligation or loss of any benefit under any contract or other instrument to which the Buyer is a party. Except as stated in Schedule 4.02 of the Disclosure Schedules hereto, **no consent, approval, waiver, or authorization is required to be obtained by the Buyer from any Person in connection with the execution, delivery, and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby.**

Section 4.03 Investment Purpose. The Buyer is acquiring the Membership Interest solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. The Buyer acknowledges that the Membership Interest is not registered under the Securities Act, or registered under any state securities laws, and that the Membership Interest may not be transferred or sold except pursuant to the registration provisions of the Securities Act, the terms of the Operating Agreement and Governing Documents of Company, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

Section 4.04 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder’s, or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Buyer.

Section 4.05 Legal Proceedings. There is no Action of any nature pending or, to the Buyer’s knowledge, threatened against or by the Buyer that (i) challenges or seeks to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement or (ii) could result in any material liability to the Buyer. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 4.06 SEC Reports; Financial Statements. The Buyer has filed all reports, schedules, forms, statements and other documents required to be filed by the Buyer under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Buyer was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, together with a prospectus and a prospectus supplement, being collectively referred to herein as the “**SEC Reports**”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Buyer included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Buyer and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

Section 4.07 No Material Adverse Effect. Since the date of the Buyer’s latest Quarterly Report on Form 10-Q, there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect.

7

Section 4.08 Capitalization.

(a) **Schedule 4.08(a)** of the Disclosure Schedules sets forth the outstanding capitalization of the Buyer as of the date of this Agreement.

(b) Except as set forth on Schedule 4.08(b) of the Disclosure Schedule, there is no: (i) outstanding subscription, option, call, warrant or right (whether or not currently exercisable) to acquire any securities of the Buyer; (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any securities of the Buyer; (iii) condition or circumstance that is reasonably likely to give rise to or provide a basis for the assertion of a claim by any person to the effect that such Person is entitled to acquire or receive any securities of the Buyer; or (iv) outstanding or authorized equity appreciation, phantom equity, profit participation or other similar rights with respect to the Buyer.

Section 4.09 Absence of Undisclosed Liabilities. The Buyer does not have any liability, indebtedness, obligation or expense of any kind, whether accrued, absolute, contingent, matured or unmatured (whether or not required to be reflected in the financial statements in accordance with GAAP) (each a “**Liability**”), individually or in the aggregate, except for: (a) Liabilities disclosed, reflected or reserved against in the latest Quarterly Report on Form 10-Q; (b) normal and recurring current Liabilities that have been incurred by the Buyer since the date of its latest Quarterly Report on Form 10-Q in the ordinary course of business and which are not in excess of \$100,000 in the aggregate or disclosed in the Buyer’s Current Reports on Form 8-K; (c) Liabilities for performance of obligations of the Company under existing contracts (other than for breach thereof); (d) Liabilities incurred in connection with the transactions contemplated by this Agreement; and (e) Liabilities which would not, individually or in the aggregate, reasonably be expected to be material to the Company.

ARTICLE V
CLOSING DELIVERABLES

Section 5.01 Seller’s Deliverables. At the Closing, the Seller shall deliver to the Buyer the following:

- (a) The assignment and assumption agreement, in the form attached hereto as **Exhibit C** (the “**Assignment and Assumption**”), executed by the Seller.
- (b) Simultaneously with the execution and delivery of this Agreement, Buyer agrees to employ the members, managers, and officers of Company pursuant to the terms of the employment agreements attached hereto as **Exhibit D**.
- (c) A statement from the Company meeting the requirements of Treasury Regulations Section 1.1445-11T(d)(2)(i) certifying that transfers of interests in the Company are not subject to withholding under Section 1445 of the Code and the Treasury Regulations thereunder or a certification dated as of the Closing Date sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445(b)(3) of the Code, stating that the Company is not and has not been a “United States real property holding corporation” (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, as applicable.
- (d) A Form W-8 completed by the Seller.

Section 5.02 Buyer’s Deliverables.

- (a) At the Closing, the Buyer shall deliver the following to the Seller:
1. The Common Stock Consideration;
 2. The Assignment and Assumption, executed by Buyer.

8

3. A certificate of the principal executive officer of the Buyer certifying as to: (i) the resolutions of the board of directors of the Buyer, duly adopted and in full force and effect, which authorize the execution, delivery, and performance of this Agreement and the transactions contemplated hereby; and (ii) the names and signatures of the officers of Buyer authorized to sign this Agreement and the documents to be delivered hereunder.

4. Within 12 weeks of Closing, the Buyer shall deliver the to the Seller the Cash Consideration.

ARTICLE VI TAX MATTERS

Section 6.01 Tax Return and Tax Audit Procedures. The Seller shall facilitate the making or otherwise cause the Company to make an election under Section 6226 of the Code with respect to any tax proceeding relating to a taxable period ending on or before the Closing Date as to which such an election is available. Sellers shall prepare or cause to be prepared any Internal Revenue Service Form 1065 or Form 1120, as applicable (and any similar form or forms for state and local income tax purposes), that is required to be filed by or with respect to the Company after the Closing Date with respect to any taxable period ending on or before the Closing Date. If the Seller is not authorized under applicable law to execute and file aforementioned tax return, the Buyer shall execute and file (or cause to be filed) such tax returns, as prepared by the Seller, with the appropriate taxing authority. The Buyer shall not, and shall not cause or permit the Company to (i) amend any tax returns filed with respect to any taxable period ending on or before the Closing Date or (ii) make any tax election that has retroactive effect to any such year, in each case, without the prior written consent of the Seller. The Buyer agrees that, as applicable, (x) the Company will join the consolidated income tax return group of which the Buyer is the parent corporation for U.S. federal income tax purposes (and for purposes of any similar applicable state, local or foreign laws) at the end of the Closing Date pursuant to Treasury Regulation Section 1.1502-76(b)(1)(ii)(A) and (y) as a result, the Company will have a short tax year ending on (and including) the Closing Date and will be included in the consolidated group’s U.S. federal (and similar applicable state, local or foreign) income tax returns starting the day after the Closing Date.

ARTICLE VII INDEMNIFICATION

Section 7.01 Survival of Representations and Covenants. All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive the Closing.

Section 7.02 Indemnification by the Seller. Subject to the other terms and conditions of this ARTICLE VII, the Seller shall defend, indemnify, and hold harmless the Buyer, its Affiliates, and their respective directors, managers, officers, and employees from and against:

- (a) a Loss arising from or relating to any inaccuracy in or breach of any of the representations or warranties of the Seller contained in this Agreement or any document delivered in connection herewith; or
- (b) any Loss arising from or relating to any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by the Seller pursuant to this Agreement or any document delivered in connection herewith.

The Seller shall have no liability (for indemnification or otherwise) with respect to claims under Section 7.02 until the total of all damages with respect to such matters exceeds \$10,000 and then only for an amount up to \$150,000.

Section 7.03 Indemnification by the Buyer. Subject to the other terms and conditions of this ARTICLE VII, the Buyer shall defend, indemnify, and hold harmless the Seller from and against all Losses arising from or relating to:

- (a) any inaccuracy in or breach of any of the representations or warranties of the Buyer contained in this Agreement or any document delivered in connection herewith; or

9

- (b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by the Buyer pursuant to this Agreement or any document delivered in connection herewith.

The Buyer shall have no liability (for indemnification or otherwise) with respect to claims under Section 7.03 until the total of all damages with respect to such matters exceeds \$10,000 and then only for an amount up to \$150,000.

Section 7.04 Indemnification Procedures. No claim for indemnification may be asserted 18 months after the Effective Date. Whenever any claim shall arise for

indemnification hereunder, the party entitled to indemnification (the “**Indemnified Party**”) shall promptly provide written notice of such claim to the other party (the “**Indemnifying Party**”). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations hereunder. The Indemnifying Party shall not settle any Action without the Indemnified Party’s prior written consent, which consent shall not be unreasonably withheld or delayed.

Section 7.05 Payments. Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this ARTICLE VII, the Indemnifying Party shall satisfy its obligations within 15 Business Days of such agreement or final, non-appealable adjudication by wire transfer of immediately available funds. In addition to any rights of setoff or other similar rights that the Buyer may have at common law or otherwise, and notwithstanding anything to the contrary herein, the Buyer shall have the right to withhold and deduct from any payment under Section 2.02(b) that would be otherwise payable hereunder any sum that (i) is owed to the Buyer under this ARTICLE VII, subject to the limitations in this ARTICLE VII or (ii) the Buyer reasonably and in good faith believes may be owed to it or any Buyer Indemnified Party under this ARTICLE VII, subject to the limitations in this ARTICLE VII. The Buyer shall exercise the foregoing right of setoff by delivering a written notice to the Seller. If the amount of any Losses relating to claims for indemnification made by the Buyer that is setoff against any payment under Section 2.02(b) is finally determined, and no longer subject to appeal, not to be owed to the Buyer pursuant to the terms hereof, such setoff amount shall be promptly funded with interest, and in any event within 20 Business Days, by the Buyer to the Seller and distributed as set forth in this ARTICLE VII.

Section 7.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by applicable law.

Section 7.07 Effect of Investigation. The right to indemnification or other remedy based on the representations, warranties, covenants, and agreements contained herein will not be affected by any investigation conducted by a party to this Agreement, or any knowledge acquired by a party to this Agreement at any time, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or agreement.

Section 7.08 Exclusive Remedies. The rights and remedies provided in this ARTICLE VII are exclusive and in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Expenses. Except as otherwise provided in Section 2.05, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

10

Section 8.02 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 8.03 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

If to Seller:

J. Merlin Benner
2780 Hills Creek Road
Wellsboro, PA 16901
E-mail: merlin@wildlife-specialists.com

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

Ozdinec & Witzel, LLC
One Landmark North 20399 Route 19, STE 206
Cranberry Twp., PA 16066
Email: mozdinec@ozwitz.com
Attention: Michael Ozdinec

If to Buyer:

DarkPulse, Inc.
1345 Ave of the Americas 2nd Floor
New York, NY 10105
Email: doleary@darkpulse.com

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

Business Legal Advisors, LLC
14888 Auburn Sky Drive
Draper, UT 84020
Email: brian@businesslegaladvisor.com
Attention: Brian Higley

Section 8.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.05 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify the Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.06 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the terms and provisions in the body of this Agreement and those in the documents delivered in connection herewith, the Exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the terms and provisions in the body of this

Agreement shall control.

Section 8.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

11

Section 8.08 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Amendment and Modification. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.

Section 8.10 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 8.11 Governing Law. This Agreement and all related documents shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

Section 8.12 Submission to Jurisdiction. Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in the City of New York and County of New York, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

Section 8.13 Attorney Fees. In the event of any dispute between the parties concerning the terms and provisions of this Agreement, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

Section 8.14 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 8.15 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. Each party hereto: (a) agrees that it shall not oppose the granting of such specific performance or relief; and (b) hereby irrevocably waives any requirements for the security or posting of any bond in connection with such relief.

Section 8.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

12

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

SELLER:

By: /s/ J. Merlin Benner
Name: J. Merlin Benner

BUYER:

DARKPULSE, INC.
a Delaware corporation

By: /s/ Dennis O'Leary
Name: Dennis O'Leary
Title: Chief Executive Officer

13

EXHIBIT A

Certificate of Formation

[TO BE ATTACHED]

EXHIBIT B**Operating Agreement**

[TO BE ATTACHED]

EXHIBIT C**ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST**
(Wildlife Specialists, Limited Liability Company)

THIS ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST (this “**Assignment**”) is dated as of August 30, 2021, by and among J. Merlin Benner, an individual (the “**Assignor**”) and **DARKPULSE, INC.**, a Delaware corporation (the “**Assignee**”), recites and provides as follows:

RECITALS:

WHEREAS, the Assignor is the owner of an aggregate sixty percent (60.0%) Membership Interest in Wildlife Specialists, Limited Liability Company, a Pennsylvania limited liability company (the “**Company**”); and

WHEREAS, pursuant to the Membership Purchase Agreement dated August 30, 2021 between the Assignor and the Assignee (the “**Purchase Agreement**”), the Assignor proposes to assign, transfer and sell to Assignee a sixty percent (60.0%) Membership Interest in the Company (the “**Assigned Interest**”) by the execution and delivery of this Assignment and Assumption Agreement. The Assignor now wishes to assign and transfer to the Assignee all of the Assignor’s right, title and interest in and to the Assigned Interest.

ASSIGNMENT AND ASSUMPTION AGREEMENT:

For and in consideration of the Purchase Price (as defined in the Purchase Agreement), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Assignment.** The Assignor hereby sells, conveys, assigns and transfers to the Assignee all of the Assignor’s rights, title and interests in and to the Assigned Interest subject to the terms and conditions of that certain Operating Agreement of the Company dated June 1, 2007 (the “**Operating Agreement**”).
2. **Acceptance, Assumption and Indemnity by Assignee.** The Assignee (a) accepts the assignment of all of the Assignor’s rights, titles and interests in and to the Assigned Interest, (b) agrees to be bound by all of the terms, covenants and conditions of the Operating Agreement, and (c) assume the obligations and liabilities of the Assignor under the Operating Agreement from and after the date hereof with respect to the Assigned Interests. From and after the date hereof, the Assignor shall not have any obligations or liabilities with respect to the Assigned Interest, including without limitation, the obligation to make capital contributions.
3. **Representations of Assignee.** Assignee has been advised that the Assigned Interest is not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), nor under the Pennsylvania Securities Act of 1972 and represents, warrants and agrees as follows: (a) that Assignee is entering into an agreement and is acquiring the securities represented for Assignee’s own account, solely for investment purposes, and not with a view to resale of said securities; (b) that Assignee has such knowledge and experience in business and financial matters which enables Assignee to be capable of evaluating the risks and merits of this investment; (c) that Assignee is able to bear the economic risks of this investment; (d) that any security that may be issued will not be resold or otherwise transferred or assigned without appropriate compliance with the registration provisions of the Securities Act and applicable State blue sky laws or exemption therefrom; and (e) that Assignee has been provided with or permitted access to all information which Assignee deems material to formulating an investment decision and that such information has been sufficient to make an informed investment decision.

4. **Representations of Assignor.** Assignor represents it has obtained all required consents pursuant to the Operating Agreement.
5. **Release and Termination.** The Assignee hereby releases the Assignor from all obligations related to the Assigned Interest or as otherwise incurred by Assignor under the terms of the Operating Agreement with respect to the Assigned Interest.
6. **Further Assurances.** The Assignor, at no cost to Assignor, and Assignee hereby covenant and agree to execute and deliver, or cause to be executed and delivered, and to do or make, or cause to be done or made, any and all instruments, papers, deeds, acts or things, supplemental, confirmatory or otherwise, as may be reasonably required for the purpose of effecting the assignment described herein.
7. **Completeness and Modification.** This Assignment constitutes the entire agreement between the parties hereto as to the subject matter hereof and, in addition to the Purchase Agreement, supersedes all prior discussions, understandings or agreements between the parties hereto.
8. **Counterparts.** To facilitate execution, this Assignment may be executed in as many counterparts as may be required. It shall not be necessary that the signature on behalf of both parties hereto appear on each counterpart hereof, and it shall be sufficient that the signature on behalf of each party hereto appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. This Assignment (or counterpart thereof) signed by one or more of the parties and delivered by facsimile shall be effective as an original.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed by their duly authorized representatives as of the date of this Assignment.

ASSIGNOR:

/s/ Jon Merlin Benner,
J. Merlin Benner, an Individual

ASSIGNEE:

DARKPULSE, INC.

By: /s/ Dennis O'Leary
Name: Dennis O'Leary
Title: Chief Executive Officer

The undersigned execute this Assignment to evidence their consent to the assignment of Assigned Interest from J. Merlin Benner to DarkPulse, Inc.

/s/ Phillip Benner
PHILLIP BENNER

/s/ Jonas Benner
JONAS BENNER

/s/ Benjamin Benner
BENJAMIN BENNER

/s/ Angelica Benner
ANGELICA BENNER

**EXHIBIT D
EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT is entered into by and between DarkPulse, Inc., a Delaware corporation ("Employer") and _____ ("Employee") upon execution of the Membership Interest Purchase Agreement. In consideration of the mutual covenants and agreements set forth below, and intending to be legally bound, the parties agree as follows:

ARTICLE 1. TERM OF EMPLOYMENT

1.01. Employer shall continue the employment of Employee and Employee accepts continued employment by Employer for a period of 36 months beginning upon the execution of the Membership Interest Purchase Agreement subject, however, to prior termination of this Employment Agreement as provided below.

ARTICLE 2. DUTIES OF EMPLOYEE

Duties

2.01. Employee is employed as _____ and shall work at _____ [e.g., the main office of Company, located at _____ (address)] and at any other place or places as directed by Employer. Employee shall _____ [set forth duties, e.g., carefully and accurately prepare and keep books of account and balance sheets and perform all duties commonly discharged by bookkeepers and any other duties of a similar nature that may be required from time to time by Employer].

Changes of Duties—Mutual Consent

2.02. The duties of Employee may be changed from time to time by the mutual consent of Employer and Employee without resulting in a rescission of this Employment Agreement. Notwithstanding any change in duties, the employment of Employee shall be construed as continuing under this Employment Agreement.

ARTICLE 3. COMPENSATION

Basic Compensation

3.01. As compensation for services rendered under this Employment Agreement, Employee shall be entitled to receive from Employer a salary of \$ _____ per year, payable in equal _____ [specify time period, e.g., weekly or semimonthly] installments of \$ _____ on _____ [specify payment date or dates, e.g., Friday of each week or the fifteenth day and the final day of each month], during the period of employment.

Changes in Rate of Compensation

3.02. As compensation for services rendered under this Employment Agreement, Employee shall be entitled to an annual increase in his or her basic rate of compensation provided in Paragraph 3.01 above. Beginning one year after the date of this Employment Agreement, the basic rate of compensation specified in Paragraph 3.01 shall be increased to _____ [specify increased rate]. Beginning two years after the date of this Employment Agreement, the basic rate of compensation specified in Paragraph 3.01 shall be increased to _____ [specify increased rate].

ARTICLE 4. EMPLOYEE BENEFITS AND BONUSES

4.01. Employer agrees that Employee may obtain and receive any medical and dental benefits, insurance benefits, bonuses compensation, and/or vacation and holiday pay as set forth in the Company's employment handbook.

Continuation of Salary

4.02. If Employee becomes disabled during the employment term because of sickness, physical or mental disability, or any other reason, so that he or she is unable to perform his or her duties under this Employment Agreement, Employer agrees to continue Employee's salary or pay Employee fifty percent (50%) of his or her salary during the disability but not beyond the date specified in this Employment Agreement for the end of the employment term.

ARTICLE 5. TERMINATION

By Employer for Cause

5.01. If Employee willfully breaches or habitually neglects the duties that he or she is required to perform under this Employment Agreement or required to perform under the Company's employment handbook, Employer may terminate this Employment Agreement by giving written notice of termination to Employee without prejudice to any other remedy to which Employer may be entitled either at law, in equity, or under this Employment Agreement.

Effect of Termination on Compensation

5.02. If this Employment Agreement is terminated prior to the completion of the term of employment specified in paragraph 1.01, Employee shall be entitled to the compensation earned prior to the date of termination computed pro rata up to and including that date. Employee shall be entitled to no further compensation as of the date of termination.

Dated: _____

EMPLOYER

DarkPulse, Inc.

By: _____ [signature]
[typed name and title]

EMPLOYEE

_____ [signature]
[typed name]

]

Schedule 4.02

1. On _____, the Buyer received the written consent of FIRSTFIRE GLOBAL OPPORTUNITIES FUND, LLC, a Delaware limited liability company (the "Lender") to enter into the Agreement.

2. _____

Schedule 4.08(a) Capitalization of the Buyer

As of the Closing Date, the capitalization of the Buyer is as follows:

1. Issued and Outstanding Common Stock - _____ shares;
2. Issued and Outstanding Series D Preferred Stock – 88,235 shares; and
3. Notes Convertible into Shares of Common Stock - _____.

DarkPulse, Inc.
1345 Avenue of the Americas
2nd Floor
New York, NY 10105

June 25, 2021

VIA EMAIL

Justin Dee, COO
TerraData Unmanned, PLLC
3906 SW 154th Street
Archer, FL 32618

Re: Letter of Intent

Dear Mr. Dee:

The purpose of this letter (this “**Letter of Intent**”) is to set forth certain nonbinding understandings and certain binding agreements by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Purchaser**”), TerraData Unmanned, PLLC, a Florida limited liability company (the “**Company**”), and Justin Dee, an individual (the “**Shareholder**”), as of the date shown above (the “**Effective Date**”), with respect to the acquisition of a majority ownership in the Company owned by the Shareholder on the terms set forth below. As set forth herein, each of the Purchaser, the Company, and the Shareholder, a “party,” and, together, the “parties.”

PART ONE—NONBINDING PROVISIONS

The following numbered paragraphs of this Letter of Intent (collectively, the “**Nonbinding Provisions**”) reflect our mutual understanding of the matters described in them, but each party acknowledges that the Nonbinding Provisions are not intended to create or constitute any legally binding obligation by, between, and among the Purchaser, the Company, and the Shareholder, and none of Purchaser, the Company, or the Shareholder shall have any liability to the other party with respect to the Nonbinding Provisions unless and to the extent that they are embodied in a fully integrated definitive agreement (the “**Definitive Agreement**”), and other related documents, which are prepared, authorized, executed, and delivered by, between, and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

1. **COMPANY MANAGEMENT**

It is contemplated that management of the Company would remain unchanged following Closing, and that all employees employed by the Company at Closing, would remain as employees of the Company following Closing at the same rates and under the same terms.

2. **STATUS OF PURCHASER AT CLOSING**

(a) It is contemplated that prior to and at Closing the Purchaser would be current in its reporting requirements pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

(b) It is anticipated that the Purchaser would maintain the quotation of its common stock on the OTC Markets.

3. **FINANCIAL STATEMENTS**

It is anticipated that the Definitive Agreement may provide that the Company would be required to provide financial statements and information to comply with Item 9.01 of Form 8-K promulgated by the SEC within the extension period provided in Item 9.01(a)(4) of Form 8-K.

Justin Dee, COO
June 25, 2021
Page 2

4. **PROPOSED FORM OF AGREEMENT**

The Purchaser, the Company, and the Shareholder intend promptly to begin negotiating to reach a written Definitive Agreement, containing comprehensive representations, warranties, indemnities, conditions and agreements by the parties customary to a transaction of this nature. The execution of the Definitive Agreement by the parties and their respective obligations to close the transaction will be subject to approval by the respective boards of directors of each entity and by the shareholders of the Company.

5. **CONDITIONS TO PROPOSED TRANSACTION**

The parties do not intend to be bound to the Nonbinding Provisions or any Provisions covering the same subject matter until the execution and delivery of the Definitive Agreement, which, if successfully negotiated, would provide that the proposed transaction would be subject to customary terms and conditions, including, but not limited to, the following:

- (a) satisfactory completion of all due diligence;
- (b) receipt of all necessary consents and approvals of governmental bodies and others;
- (c) absence of pending or threatened litigation regarding the Definitive Agreement or the transactions to be contemplated thereby;
- (d) delivery of customary legal opinions, closing certificates, and other documentation;
- (e) compliance of the transaction contemplated herein with any applicable tax-free reorganization or other tax restriction, which compliance shall be mutually

satisfactory to the parties hereto;

(f) evidence at closing that the Company would have no outstanding options, warrants, or other instruments convertible into, or obligations granting rights to receive, shares of common stock of the Company, except for securities in this transaction;

(g) the accuracy and completeness of representations and warranties of the parties customary to a transaction of this nature; and

(h) unaudited financial statements or information disclosing the financial condition of the Company for the last two (2) completed fiscal years the most recent quarter end.

PART TWO—BINDING PROVISIONS

Upon execution by the Purchaser, the Company, and the Shareholder of this Letter of Intent or counterparts thereof, the following lettered paragraphs of this Letter of Intent (collectively, the “**Binding Provisions**”) will constitute the legally binding and enforceable agreement of the Purchaser, the Company, and the Shareholder (in consideration of the significant costs to be borne by the Purchaser, the Company, and the Shareholder in pursuing this proposed transaction and further, in consideration of their mutual undertakings as to the matters described herein).

1. NONBINDING PROVISIONS NOT ENFORCEABLE

The Nonbinding Provisions do not create or constitute any legally binding obligations among the Purchaser, the Company, and the Shareholder, and none of the Purchaser, the Company, or the Shareholder shall have any liability to the other parties with respect to the Nonbinding Provisions unless and to the extent that they are embodied in the Definitive Agreement, if one is successfully negotiated, executed and delivered by and among all parties. If the Definitive Agreement is not prepared, authorized, executed or delivered for any reason, no party to this Letter of Intent shall have any liability to any other party to this Letter of Intent based upon, arising from, or relating to the Nonbinding Provisions.

Justin Dee, COO
June 25, 2021
Page 3

2. BASIC TRANSACTION

(a) It is contemplated that the Purchaser would acquire sixty percent (60%) of the issued and outstanding voting capital stock or equity interests of the Company owned by the Shareholder in exchange for restricted shares of the common stock of the Purchaser worth Two Hundred Thousand Dollars (\$200,000) with the price per share to be stated in the Definitive Agreement (the “**Shares**”) with the Shares to be delivered to the Shareholder upon the closing of this transaction (the “**Closing**” or “**Closing Date**”) and Four Hundred Thousand Dollars (\$400,000) to be paid to the Shareholder within twelve (12) weeks of the Closing Date. The parties anticipate that the execution and closing of the Definitive Agreement would occur simultaneously. As a result of the Closing, the Company would become a subsidiary of the Purchaser.

(b) The exchange is intended to be made with the Shareholder who is believed to be an “accredited investor,” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”) and, provided that the transaction would not otherwise violate the provisions of the Securities Act or any applicable state securities laws. The shares to be issued by the Purchaser would be “restricted securities” as defined in Rule 144 under the Securities Act. An appropriate legend would be placed on the certificates representing such shares, and stop transfer orders placed against them. The Company would be required to provide adequate representations sufficient to qualify for applicable exemptions from registration. The parties intend that the Closing would occur as soon as practicable upon completion of all conditions for Closing.

(c) The structure and form of the transaction will be mutually agreeable to the parties, provided that the parties currently intend that the transaction will qualify for treatment as a tax-free transaction under the Internal Revenue Code of 1986, as amended.

3. DEFINITIVE AGREEMENT; TERM OF THIS LETTER OF INTENT

(a) The Purchaser and its counsel shall be responsible for preparing the initial draft of the Definitive Agreement. Subject to the final sentence of Paragraph 4 of the Binding Provisions, the Purchaser, the Company, and the Shareholder shall negotiate in good faith to arrive at a mutually acceptable Definitive Agreement for approval, execution, and delivery on the earliest reasonably practicable date.

(b) The Company and the Shareholder shall engage legal counsel to represent them in this acquisition transaction and the preparation of the Company documents, and to assist in the review of the Definitive Agreement.

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on the date that is sixty (60) days after the Effective Date; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

4. ACCESS

The Purchaser and the Company will provide to each other full access to their current and historical books and records (excluding proprietary information) and will furnish financial and operating data and such other current or historical information with respect to their business and assets as may reasonably be requested from time to time. Each party shall accommodate and make available such information to the appropriate representatives of the other. Until the Definitive Agreement is executed by the Purchaser the Company, and the Shareholder, all parties shall keep confidential any information (unless ascertainable from public filings or other public sources) obtained either prior to, or following the date of this Letter of Intent concerning the other's operations, assets, and business, or other confidential information. It is anticipated that the Definitive Agreement would contain confidentiality provisions effective beginning on the date the agreement is executed by the Purchaser, the Company, and the Shareholder and covering confidential information provided prior to the execution of the Definitive Agreement. Neither party shall be under obligation to continue with its due diligence investigation or negotiations regarding the Definitive Agreement or to consummate the transactions contemplated by this Letter of Intent if, at any time, the results of its due diligence investigation are not satisfactory to such party for any reason in its sole discretion.

Justin Dee, COO
June 25, 2021

5. EXCLUSIVE DEALING

(a) During the term of this Letter of Intent, the Company and the Shareholder shall not, directly or indirectly, through any representative or otherwise, solicit, negotiate with or in any manner encourage, discuss or accept any proposal of any other person relating to the acquisition of the Company, shares of its capital stock purchased from the Company or the Shareholder, or the Company's assets or business, in whole or in part, whether through direct purchase, merger, consolidation, or other business combination (collectively, an "**Alternative Transaction**"); provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholder may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. The Company or the Shareholder will immediately notify the Purchaser regarding any contact between the Company, the Shareholder, or their respective representatives and any other person regarding any proposed Alternative Transaction or any related inquiry.

(b) In the event the Company or the Shareholder receives a proposal for an Alternative Transaction (a "**Proposal**"), the Company or the Shareholder will immediately give written notice to the Purchaser setting forth the identity of the proposed party and the price and terms of the Proposal. The Purchaser shall have the right, exercisable within the five (5) business days following receipt of such notice, to effect the Alternative Transaction on the same economic terms as those set forth in the Proposal.

(c) Notwithstanding anything to the contrary contained herein, if the Purchaser terminates the Binding Provisions pursuant to Paragraphs J(b) or J(d) of this Part Two, the exclusive dealing provisions of this Paragraph 5 shall be terminated and the Company or the Shareholder shall, immediately upon such termination, be permitted to pursue an Alternative Transaction.

6. BREAK-UP PROVISIONS

In the event that the Company or the Shareholder breaches Paragraph 5 of this Part Two and the Company or the Shareholder closes an Alternative Transaction, then, immediately upon such closing, the Company or the Shareholder shall pay to the Purchaser 10% of the total consideration (including the assumption of any liabilities of the Company), cash and non-cash paid to the Company, the Shareholder, or the Company's shareholders in the Alternative Transaction. The Definitive Agreement shall include similar break-up provisions.

7. CONDUCT OF BUSINESS

Until the Definitive Agreement has been executed and delivered by all the parties or the Binding Provisions have been terminated pursuant to Paragraph 11 of this Part Two, the Company shall conduct its business only in the ordinary course, and may not engage in any extraordinary transactions without the Purchaser's prior consent, including, without limitation:

- (a) not issuing any equity securities or options, warrants, rights, or convertible securities;
- (b) not paying any dividends or redeeming any securities; and
- (c) not borrowing any funds or incurring any debt or other obligations outside of what is existing as of the date of this Letter of Intent.

Justin Dee, COO
June 25, 2021
Page 5

8. DISCLOSURE

Except as and to the extent required by law, without the prior written consent of the other party, neither the Purchaser, the Company, nor the Shareholder shall, and each shall direct its shareholders or representatives not to, directly or indirectly, make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of the existence of discussions regarding, a possible transaction among the parties or any of the terms, conditions or other aspects of the transaction proposed in this Letter of Intent; provided, however, that upon receipt of an unsolicited proposal to effect an Alternative Transaction, the Company or the Shareholder may disclose (i) the existence of this Letter of Intent; (ii) the terms of the right of first refusal set forth in the next paragraph; and (iii) the terms of the break-up provisions set forth in Paragraph 6 of this Part Two. If a party is required by law to make any such disclosure, it must first provide to the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place that the disclosure will be made.

9. COSTS

Except as otherwise provided in these Binding Provisions, each party shall pay its own costs and expenses (including any broker's or finder's fees) incurred in connection with the proposed transaction.

10. CONSENTS

The Purchaser, the Company, and the Shareholder shall cooperate with each other and proceed, as promptly as is reasonably practicable, to endeavor to comply with all legal or contractual requirements for or preconditions to the execution and consummation of the Definitive Agreement.

11. TERMINATION

The Binding Provisions may be terminated:

- (a) by mutual written consent of the Purchaser, the Company, and the Shareholder;
- (b) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser's due diligence (a) uncovers facts concerning the Company's business or financial condition that are different than those represented to the Purchaser by the Company or the Shareholder prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Purchaser regarding the Company;
- (c) by the Company or the Shareholder, without any penalty to the Company or the Shareholder, in the event that either the Company's or the Shareholder's due diligence (a) uncovers facts concerning the Purchaser's business or financial condition that are different than those represented to the Company and the Shareholder by the Purchaser prior to the execution of this Letter of Intent; or (b) discloses any material concerns to the Company or the Shareholder regarding the Purchaser;
- (d) by the Purchaser, without any penalty to the Purchaser, in the event that the Purchaser's board of directors does not approve the execution of the Definitive

Agreement, and/or the transactions contemplated hereby; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs 1, 5, 6, 8, 9, 14, and 15 of these Binding Provisions, which shall survive any such termination.

12. EXECUTION IN COUNTERPARTS

This Letter of Intent may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Justin Dee, COO
June 25, 2021
Page 6

13. COOPERATION

The Purchaser, the Company, and the Shareholder agree to cooperate and to use their respective best efforts to close the transaction contemplated in this Letter of Intent as soon as practicable after the date hereof.

14. ENTIRE AGREEMENT; AMENDMENT; ASSIGNMENT

The Binding Provisions and any Non-Disclosure Agreement between the Purchaser, the Company, and the Shareholder constitute the entire agreement among the parties, and supersede all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing among the parties on the subject matter hereof. Except as otherwise provided herein, the Binding Provisions may be amended or modified only by a writing executed by all of the parties. This Letter of Intent is not assignable without the prior written consent of each of the Purchaser, the Company, and the Shareholder.

15. GOVERNING LAW; JURISDICTION; VENUE

This Letter shall be governed by and construed under the laws of New York without regard to principles of conflict of laws. The parties irrevocably consent to the jurisdiction and venue of the state and federal courts located in New York in connection with any action.

Please sign and date this Letter of Intent in the space provided below to confirm your understanding of the terms of the Nonbinding Provisions and to confirm the mutual binding agreements set forth in the Binding Provisions and return a signed copy to the undersigned.

Very truly yours,

THE PURCHASER

DARKPULSE, INC.

By: /s/ Dennis O'Leary
Dennis O'Leary, CEO

[Purchaser and Shareholder Signature Page to Follow]

Justin Dee, COO
June 25, 2021
Page 7

*Acknowledged as to
the Nonbinding and agreed
as to the Binding Provisions
as of the date below:*

THE COMPANY

TERRADATA UNMANNED, PLLC

Date: June 25, 2021

By: /s/ Justin Dee
Justin Dee, COO and Owner

THE SHAREHOLDER

Date: June 25, 2021

By: /s/ Justin Dee
Justin Dee, an Individual

AMENDMENT NO. 1 TO LETTER OF INTENT

This Amendment No. 1 to the Letter of Intent (this “**Amendment**”), dated effective August 24, 2021 (the “**Effective Date**”), is by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Company**”), TerraData Unmanned, PLLC, a Florida limited liability company (the “**TerraData**”), and Justin Dee, an individual (the “**Shareholder**”). The Company, TerraData, and the Shareholder will each be referred to individually as a “**Party**” and collectively as the “**Parties**.” Any capitalized terms not defined in this Amendment will have the meaning set forth in the Letter of Intent dated June 25, 2021 by and between the Company, RI, and the Shareholder (the “**LOI**”), attached hereto as **Exhibit A**.

RECITALS

WHEREAS, on June 25, 2021, the Company, TerraData, and the Shareholder entered into the LOI;

WHEREAS, pursuant to the LOI, the term of the LOI expires August 24, 2021; and

WHEREAS, the Parties wish to amend the LOI to extend the termination date of the LOI from August 24, 2021 to September 7, 2021.

THEREFORE, in consideration of the foregoing recitals, mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as set forth below.

AGREEMENT

1. **Extension of Term.** Pursuant to Section 14 of PART II of the LOI, Section 3(c) of PART II be and hereby is revised so, as amended, reads as follows:

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on September 7, 2021; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

2. **No Other Changes.** Except as amended hereby, the LOI will continue to be, and will remain, in full force and effect. Except as provided herein, this Amendment will not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the LOI or (ii) to prejudice any right or rights which the Parties may now have or may have in the future under or in connection with the LOI or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time.

3. **Authority; Binding on Successors.** The Parties represent that they each have the authority to enter into this Amendment. This Amendment will be binding on, and will inure to the benefit of, the Parties to it and their respective heirs, legal representatives, successors, and assigns.

4. **Governing Law and Venue.** This Amendment and the rights and duties of the Parties hereto will be construed and determined in accordance with the terms of the LOI.

5. **Incorporation by Reference.** The terms of the LOI, except as amended by this Amendment, are incorporated herein by reference and will form a part of this Amendment as if set forth herein in their entirety.

6. **Counterparts; Facsimile Execution.** This Amendment may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one instrument. Delivery of an executed counterpart of this Amendment by facsimile or email will be equally as effective as delivery of a manually executed counterpart of this Amendment.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment the respective day and year set forth below:

COMPANY:

DARKPULSE, Inc.

Date: August 24, 2021

By /s/ Dennis O'Leary
Dennis O'Leary, CEO

SHAREHOLDER:

Date: August 24, 2021

By /s/ Justin Dee
Justin Dee, an Individual

RI:

TERRADATA UNMANNED, PLLC

Date: August 24, 2021

By /s/ Justin Dee
Justin Dee, COO and Owner

EXHIBIT A

Letter of Intent dated June 25, 2021

[See Attached]

AMENDMENT NO. 2 TO LETTER OF INTENT

This Amendment No. 2 to the Letter of Intent (this “**Amendment**”), dated effective September 3, 2021 (the “**Effective Date**”), is by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Company**”), TerraData Unmanned, PLLC, a Florida limited liability company (the “**TerraData**”), and Justin Dee, an individual (the “**Shareholder**”). The Company, TerraData, and the Shareholder will each be referred to individually as a “**Party**” and collectively as the “**Parties**.” Any capitalized terms not defined in this Amendment will have the meaning set forth in the Letter of Intent dated June 25, 2021 by and between the Company, TerraData, and the Shareholder (the “**LOI**”), attached hereto as **Exhibit A**.

RECITALS

WHEREAS, on June 25, 2021, the Company, TerraData, and the Shareholder entered into the LOI;

WHEREAS, effective August 24, 2021, the Company, TerraData, and the Shareholder entered into Amendment No. 1 to the LOI pursuant to which the termination of the LOI was amended to September 7, 2021;

WHEREAS, pursuant to the LOI, as amended, the term of the LOI expires September 7, 2021; and

WHEREAS, the Parties wish to amend the LOI to extend the termination date of the LOI from September 7, 2021 to October 1, 2021.

THEREFORE, in consideration of the foregoing recitals, mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as set forth below.

AGREEMENT

1. **Extension of Term.** Pursuant to Section 14 of PART II of the LOI, Section 3(c) of PART II be and hereby is revised so, as amended, reads as follows:

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on October 1, 2021; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

2. **No Other Changes.** Except as amended hereby, the LOI will continue to be, and will remain, in full force and effect. Except as provided herein, this Amendment will not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the LOI or (ii) to prejudice any right or rights which the Parties may now have or may have in the future under or in connection with the LOI or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time.

3. **Authority; Binding on Successors.** The Parties represent that they each have the authority to enter into this Amendment. This Amendment will be binding on, and will inure to the benefit of, the Parties to it and their respective heirs, legal representatives, successors, and assigns.

4. **Governing Law and Venue.** This Amendment and the rights and duties of the Parties hereto will be construed and determined in accordance with the terms of the LOI.

5. **Incorporation by Reference.** The terms of the LOI, except as amended by this Amendment, are incorporated herein by reference and will form a part of this Amendment as if set forth herein in their entirety.

6. **Counterparts; Facsimile Execution.** This Amendment may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one instrument. Delivery of an executed counterpart of this Amendment by facsimile or email will be equally as effective as delivery of a manually executed counterpart of this Amendment.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment the respective day and year set forth below:

COMPANY:

DARKPULSE, Inc.

Date: September 3, 2021

By /s/ Dennis O'Leary
Dennis O'Leary, CEO

SHAREHOLDER:

Date: September 3, 2021

By /s/ Justin Dee
Justin Dee, an Individual

TerraData:

TERRADATA UNMANNED, PLLC

Date: September 3, 2021

By /s/ Justin Dee
Justin Dee, COO and Owner

EXHIBIT A

Letter of Intent dated June 25, 2021

[See Attached]

AMENDMENT NO. 1 TO LETTER OF INTENT

This Amendment No. 1 to the Letter of Intent (this “**Amendment**”), dated effective August 31, 2021 (the “**Effective Date**”), is by, between, and among DarkPulse, Inc., a Delaware corporation (the “**Company**”), TJM Electronics West, Inc., an Arizona corporation (the “**TMJ**”), Thomas McCarthy, an individual with power of attorney for John McCarthy, Donna McCarthy, and Frank Baisden, constituting all shareholders of record of TMJ. (the “**Shareholders**”). The Company, TMJ, and the Shareholders will each be referred to individually as a “**Party**” and collectively as the “**Parties**.” Any capitalized terms not defined in this Amendment will have the meaning set forth in the Letter of Intent dated August 19, 2021 by and between the Company, TMJ, and the Shareholders (the “**LOI**”), attached hereto as Exhibit A.

RECITALS

WHEREAS, on August 19, 2021, the Company, TMJ, and the Shareholders entered into the LOI;

WHEREAS, pursuant to the LOI, The term of the LOI expires August 31, 2021; and

WHEREAS, the Parties wish to amend the LOI to extend the termination date of the LOI from August 31, 2021 to September 14, 2021.

THEREFORE, in consideration of the foregoing recitals, mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as set forth below.

AGREEMENT

1. **Extension of Term.** Pursuant to Section 14 of PART II of the LOI, Section 3(c) of PART II be and hereby is revised so, as amended, reads as follows:

(c) The term of this Letter of Intent shall begin on the Effective Date and shall expire upon the earliest of (a) 11:59 p.m., Eastern Time, on September 14, 2021; (b) the execution of the Definitive Agreement; or (c) such later or earlier date and time as the Company and the Purchaser may agree in writing.

2. **No Other Changes.** Except as amended hereby, the LOI will continue to be, and will remain, in full force and effect. Except as provided herein, this Amendment will not be deemed (i) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the LOI or (ii) to prejudice any right or rights which the Parties may now have or may have in the future under or in connection with the LOI or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or otherwise modified from time to time.

3. **Authority; Binding on Successors.** The Parties represent that they each have the authority to enter into this Amendment. This Amendment will be binding on, and will inure to the benefit of, the Parties to it and their respective heirs, legal representatives, successors, and assigns.

4. **Governing Law and Venue.** This Amendment and the rights and duties of the Parties hereto will be construed and determined in accordance with the terms of the LOI.

5. **Incorporation by Reference.** The terms of the LOI, except as amended by this Amendment, are incorporated herein by reference and will form a part of this Amendment as if set forth herein in their entirety.

6. **Counterparts; Facsimile Execution.** This Amendment may be executed in any number of counterparts and all such counterparts taken together will be deemed to constitute one instrument. Delivery of an executed counterpart of this Amendment by facsimile or email will be equally as effective as delivery of a manually executed counterpart of this Amendment.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment the respective day and year set forth below:

COMPANY:

DARKPULSE, Inc.

Date: August 31, 2021

By /s/ Dennis O'Leary
Dennis O'Leary, CEO

SHAREHOLDER:

Date: August 31, 2021

By /s/ Thomas McCarthy
Thomas McCarthy, an Individual with POA for John McCarthy, Donna McCarthy, and Frank Baisden, constituting all shareholders of record.

TMJ:

TMJ ELECTRONICS WEST, INC.

Date: August 31, 2021

By /s/ Thomas McCarthy
Thomas McCarthy, CEO

EXHIBIT A

Letter of Intent dated August 19, 2021

[See Attached]

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("**Agreement**"), dated as of September 8, 2021, is entered into by, between, and among DARKPULSE, INC., a Delaware corporation (the "**Buyer**"), TJM ELECTRONICS WEST, INC., an Arizona corporation (the "**Company**"), and each individual shareholder of the Company, each a signatory to this Agreement on the Signature Page hereto (the "**Stockholders**") (the Buyer, the Company and the Stockholders are sometimes referred to herein individually as "**Party**" and collectively as the "**Parties**").

Basis of Agreement

- A. The Stockholders own all of the outstanding capital stock of the Company (the "**Stock**");
- B. The Buyer desires to purchase all of the Stock from the Stockholders; and
- C. The Parties desire to make certain representations, warranties and agreements in connection with the Sale (as defined below) and also to prescribe certain conditions to the Sale.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. DEFINITIONS: The following terms shall have the following meanings in this Agreement:

"**Acquisition Consideration**" means Four Hundred Fifty Thousand Dollars (\$450,000.00).

"**Affiliate**" of any party means any person or entity controlling, controlled by or under common control with such party.

"**Ancillary Documents**" means the Stock Power and all other documents executed in connection with the consummation of the transactions contemplated by this Agreement.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by law to close.

"**Certificate of Incorporation**" means the Certificate of Incorporation of the Company, filed with the Arizona Corporation Commission, on November 15, 1999.

"**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the rules and Regulations promulgated thereunder.

"**Company Business**" means circuit board and electronics manufacturing, assembly and testing and any other business in which the Company is engaged at the applicable time.

"**Company Offerings**" means all products or service offerings of the Company.

"**Default**" means (i) any actual breach or default, (ii) the occurrence of an event that with the passage of time or the giving of notice or both would constitute a breach or default or (iii) the occurrence of an event that, with or without the passage of time or the giving of notice or both, would give rise to a right of termination, renegotiation or acceleration.

"**Effective Time**" means 12:00 p.m., Eastern Time, on the Closing Date.

"**Encumbrance**" means any claim, lien, pledge, option, charge, easement, encroachment, security interest, hypothecation, license, lease, charge, covenant, servitude, proxy, deed of trust, mortgage, conditional sales agreement, encumbrance, right of first refusal, restriction on transfer or other right of third parties, whether voluntarily incurred or arising by operation of law, and includes any agreement to give or grant any of the foregoing in the future.

"**Excluded Assets**" means the assets set forth on Schedule 1 of this Agreement. Such Excluded Assets may be distributed from the Company to the Stockholders prior to Closing, and the Buyer shall waive any and all right to the Excluded Assets.

"**Environmental Law**" means any applicable federal, state or local Regulations relating to minimizing, preventing, remedying or imposing penalties for, the consequences of actions that damage or threaten the environment or public health and safety, including any Regulations relating to any emission, discharge, Release or possible Release of any pollutant, contaminant, hazardous or toxic material, substance or waste into air, surface water, groundwater or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any pollutant, contaminant or hazardous or toxic material, substance or waste.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" shall mean any Person under common control with the Company or that, together with the Company, could be deemed a "single employer" within the meaning of Section 4001(b)(1) of ERISA or within the meaning of Section 414(b), (c), (m) or (o) of the Code, and the Regulations issued thereunder.

"**GAAP**" means United States generally accepted accounting principles consistently applied.

"**Government Contract**" means any agreement, contract, lease, license, instrument, commitment, Indebtedness, Liabilities and other obligations between the Company and any Governmental Authority.

"**Government Official**" means any officer, director or employee of a Governmental Authority or instrumentality thereof (including any partially or wholly state-owned or controlled enterprise); (ii) holder of political office, political party official, candidate for any political office, or member of a royal family; (iii) officer, director or employee of a governmental or quasi-governmental public international organization (including the World Bank, United Nations and the European Union) or (iv) Person acting for or on behalf of any such Governmental Authority or instrumentality thereof.

"Governmental Authority" means any court, arbitrator (public or private), administrative agency, regulatory body, commission or other governmental authority, or any agency, branch, department, official, entity, instrumentality or authority of the United States or any other country or any state, county, municipality or other governmental division of any country.

"Governmental Order" means any judgment, decision, consent decree, injunction, ruling or order of any federal, state, local or other domestic or foreign court or Governmental Authority that is binding on any Person or its property.

"Hazardous Material" means any substance, material or waste regulated by any Governmental Authority, including any substance, material or waste defined or classified as a "hazardous waste", "hazardous material," hazardous substance", "extremely hazardous waste", "pollutant", "restricted hazardous waste", "contaminant", "toxic waste", or "toxic substance", under any provision of Environmental Law, including petroleum, petroleum products, asbestos, presumed asbestos-containing materials, or asbestos-containing materials, urea formaldehyde or polychlorinated biphenyls.

"Indebtedness" means (without duplication), as to any Person, (i) all obligations for the payment of principal, interest, penalties, fees or other Liabilities for borrowed money (including guarantees and notes payable) and collection costs thereof, incurred or assumed, (ii) any obligations to reimburse the issuer of any letter of credit, surety bond, debentures, promissory notes, performance bond or other guarantee of contractual performance, in each case to the extent drawn or otherwise not contingent, (iii) all indebtedness of third parties secured by an Encumbrance on property owned or acquired by such Person, (iv) any obligation that, in accordance with GAAP, would be required to be reflected as debt on the balance sheet of such Person, (v) all obligations of such Person under interest rate or currency swap transactions (valued at the termination value thereof); (vi) all obligations under capitalized leases and purchase money obligations and (vii) all indebtedness of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person or any of its Subsidiaries, or in effect guaranteed directly or indirectly by such Person or any of its Subsidiaries through an agreement to pay or purchase such indebtedness, to advance or supply funds for the payment or purchase of such indebtedness or otherwise to assure a creditor against loss, in each case including all accrued interest, prepayment penalties and other fees, if any. Indebtedness shall not include any and all debt issued by the Company to the Shareholders, as disclosed in Schedule 2(c), and which shall be discharged upon Closing.

"Intellectual Property" means all forms of intellectual property rights and other proprietary rights and protections throughout the world, including all (a) patents and statutory invention registrations (including all continuations, continuations-in-part, divisions, extensions, provisionals, reexaminations, reissues, renewals and revisions), inventions, discoveries, improvements, methods and processes; (b) copyrights and other published and unpublished works of authorship, including audiovisual works, collective works, computer programs, compilations, databases, derivative works, literary works, mask works, and sound recordings; (c) trademarks, service marks, trade dress, trade names, corporate names and other source identifiers, together with all goodwill associated therewith; (d) Internet domain names; (e) trade secrets under applicable Regulations, proprietary information, technical information, know-how and other information not generally known or readily ascertainable through proper means, whether tangible or intangible, including algorithms, customer lists, ideas, designs, formulas, know-how, methods, processes, programs, prototypes, systems, and techniques; (f) software code (in any form), application programming interfaces (APIs), user interfaces, documentation, network configurations and architectures, specifications, subroutines, and other firm of technology (collectively, **"Software"**); (g) rights in databases and designs (ornamental or otherwise); (h) rights of attribution and integrity and other moral rights of an author; and (i) rights in, arising out of, or associated with a natural person's name, voice, signature, photograph, or likeness, including rights of personality, privacy, and publicity and similar rights, in each case whether currently existing or hereafter developed or acquired, arising under statutory law, common law, or by contract, and whether or not perfected, registered or issued, including all applications, disclosures, registrations, issuances and extensions with respect thereto.

"IRS" means the Internal Revenue Service of the United States.

"Knowledge" of the Company means the actual knowledge of the Stockholders, and any officers of the Company, and the knowledge each such Person would have obtained after making due inquiry and exercising due diligence.

"Liability" means any direct or indirect liability, Indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any type, known or unknown, and whether accrued, absolute, contingent, matured, unmatured or other, including "off-balance sheet" liabilities.

"Material Adverse Effect" means any event, occurrence, condition, change, circumstance, effect, development or state of facts (whether specific to the applicable Party or generally applicable to multiple Parties, including, individually or in the aggregate, such Party and its Subsidiaries), violation, inaccuracy or other matter that has, or would, individually or in the aggregate with other events, reasonably be expected to have or give rise to, a material adverse effect on, or material adverse change to (a) the condition (financial or otherwise), business, results of operations, assets, Liabilities, capitalization, financial performance or prospects of the Party making the representations and warranties, or (b) the ability of such Party to consummate the transactions contemplated by this Agreement or the Ancillary Documents or to perform any of its obligations under this Agreement or the Ancillary Documents; provided, however, that, when such Party is the Company, any adverse effects attributable to conditions affecting the industries in which the Company participates or the economy as a whole (other than those that disproportionately affect the Company) shall not be deemed to constitute a Material Adverse Effect on the Company.

"Ordinary Course of Business" or "Ordinary Course" or any similar phrase means the ordinary course of the Company's business consistent with the past practice of the Company.

"Permits" means all licenses, permits, registrations, franchises, approvals, authorizations, consents or orders of, or filings with, any Governmental Authority and any accreditations or certification issued by an accrediting body, whether foreign, federal, state or local, or any other Person, necessary for the conduct of, or relating to, the operation of the Company's business, including any certification or accreditation relied upon in obtaining, or required to obtain, any license, permit, franchise, approval, authorization, consent or orders of any Governmental Authority.

"Permitted Encumbrances" means liens for Taxes, assessments and other governmental charges, each not yet due.

"Person" means any person or entity, whether an individual, trustee, corporation, partnership, limited partnership, limited liability company, trust, unincorporated organization, business association, firm, joint venture or other juridical person or Governmental Authority.

"Regulations" means any laws, statutes, ordinances, regulations, rules, notice requirements, court decisions, including matrimonial or similar court decisions, agency guidelines, principles of law and orders of any foreign, federal, state or local government and any other Governmental Authority, and including Environmental Laws, Tax laws, energy and public utility laws and regulations, health codes, occupational safety and health regulations and laws respecting employment practices, employee documentation, terms and conditions of employment and wages and hours.

"Release" means any release, spill, emission, leaking, pumping, pouring, dumping, emptying, injection, deposit, disposal, discharge, dispersal, leaching, or migration on or into the environment, or into or out of any property.

"Representative" means with respect to any Person, any officer, director, manager, principal, attorney, agent, employee or other representative of such Person.

"Subsidiary" when used with respect to any Party, means any corporation or other organization, whether incorporated or unincorporated, at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization are held by such Party, or any entity that is directly or indirectly owned or controlled by such Party or by any one or more of its Subsidiaries.

"Tax" (including with correlative meaning, the terms **"Taxes"** and **"Taxable"**) means any federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding or deduction, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, escheat, unclaimed property, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, fine, penalty or similar addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to any Liability for any of the foregoing of any other Person.

"Tax Return" means any return, declaration, report, claim for refund, statement, information return or statement and other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof, and any returns, statements, or other documents required to be filed with respect to any financial interest in or signature authority over a foreign financial account (such as FinCEN Form 114 or any predecessor thereof), including any amendment thereof.

"Work-In-Progress Accounts Payable" shall mean any and all Accounts Payable (hereinafter defined in Section 3(z)(ii)) which relate to Company Offerings that (i) will be performed after the Closing Date, (ii) have not been invoiced prior to Closing, and (iii) the revenue from which will accrue to the benefit of the Company and has not been distributed to the Stockholders prior to Closing.

"Work-In-Progress Inventory" shall mean any and all inventory of the Company which is associated with work in progress matters set forth on **Schedule 3(z)**, and which the Company has not yet paid for as of the Closing Date.

Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning indicated throughout this Agreement.

Interpretation. In this Agreement, unless the context otherwise requires, references: (a) to the recitals, articles, sections, exhibits or schedules are to a Recital, Article or Section of, or Exhibit or Schedule to, this Agreement; (b) to any agreement (including this Agreement), contract, statute or Regulation are to the agreement, contract, statute or Regulation as amended, modified, supplemented or replaced from time to time, and to any section of any statute or Regulation are to any successor to the section; (c) to any contract, agreement, arrangement or understanding are to any contract, agreement, arrangement and/or understanding, whether written or oral and whether express or implied; (d) to any Governmental Authority include any successor to that Governmental Authority and (e) to this Agreement are to this Agreement and the exhibits and schedules to it, taken as a whole. The table of contents and headings contained herein are for reference purposes only and do not limit or otherwise affect any of the provisions of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". Whenever the words "herein" or "hereunder" are used in this Agreement, they shall be deemed to refer to this Agreement as a whole and not to any specific Section, unless otherwise indicated. The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and words denoting any gender include all genders. The terms "dollars" and "\$" shall mean dollars of the United States of America.

2. THE TRANSACTION:

a. Agreement to Sell and Purchase. At the Closing and upon the terms and subject to the conditions of this Agreement, the Buyer shall purchase from the Stockholders, and the Stockholders shall sell, transfer, assign, convey and deliver to the Buyer, the Stock free and clear of any and all Encumbrances (the **"Sale"**).

b. Closing of the Sale. The closing of the transactions contemplated hereby (the **"Closing"**) will take place remotely via the exchange of documents and signatures related to the transactions contemplated hereby on the date hereof (the **"Closing Date"**). All Closing transactions shall be deemed to take place simultaneously and no one of them shall be deemed to have occurred until all shall have occurred.

c. Sale Consideration. No later than September 15, 2021, pursuant to Section 2(d), the Buyer shall deliver to the Stockholders an amount equal to (i) the Acquisition Consideration, plus (ii) the amount, if any, of the Accounts Receivable which remain in the Company through the Closing despite the Parties' intent to have such Accounts Receivable distributed to the Stockholders prior to Closing; plus (iii) the amount, if any, of the Work-In-Progress Inventory, using the values designated for such items on Schedule 3(z); minus (iv) the amount, if any, of the Accounts Payable which remain in the Company through the Closing other than Work-In- Progress Accounts Payable; minus (v) any Indebtedness set forth on Schedule 2(c) ((i) through (v) being referred to collectively herein as the **"Sale Consideration"**).

d. Distribution of the Sale Consideration.

i. The Stockholders shall surrender to the Buyer the certificate or certificates representing the Stock, each duly endorsed in blank or accompanied by an assignment separate from such certificate (each a **"Stock Power"**), dated the Closing Date and executed by the Stockholders, in a form suitable for transferring the shares of Stock to the Buyer in the records of the Company.

ii. Upon delivery by the Stockholders to the Buyer of the duly executed Stock Powers, the Buyer shall pay, by bank certified or cashier's check(s) to the accounts designated by each Stockholder, such Stockholder's pro rata portion (such amount being referred to herein as the **"Pro Rata Portion"**) of the Sale Consideration.

3. REPRESENTATIONS AND WARRANTIES RELATED TO THE COMPANY:

As a material inducement to the Buyer to enter into this Agreement, except as disclosed in the disclosure schedules delivered to the Buyer by the Stockholders concurrently herewith (the **"Company Disclosure Schedule"**) (it being understood that the Company Disclosure Schedule shall be arranged in sections and subsections corresponding to the sections and subsections contained in this Agreement, and the disclosures in any section and subsection of the Company Disclosure Schedule shall only qualify the representations in the corresponding section and subsection of this Article III), the Stockholders hereby, jointly and severally, make the following representations and warranties to the Buyer.

a. Organization of the Company. The Company is a corporation duly formed and validly existing and in good standing under the laws of the State of Arizona with full corporate power and authority to conduct its business as it is presently being conducted, to own or lease, as applicable, and operate its assets and properties, and to perform all its obligations under its contracts. The Company is duly qualified to do business and is in good standing in each jurisdiction where the character of its properties owned, leased or operated or the nature of its activities make such qualification necessary. Copies of the Certificate of Incorporation and the Bylaws have heretofore been delivered to the Buyer and are true, complete and in effect as of the date hereof. The Company is not in violation of its Certificate of Incorporation or the Bylaws and is operating and has always operated its business in all respects in accordance with its Certificate of Incorporation and the Bylaws in effect at the relevant time.

b. Subsidiaries. The Company does not have and has never had any Subsidiaries and does not otherwise own or control, directly or indirectly, or hold any rights to acquire, any capital stock or any other securities, interests or investments (other than investments that constitute cash or cash equivalents) in any other corporation, partnership, trust, joint venture, association, or other Person.

c. Solvency. The Company: (a) is not insolvent and does not have unreasonably small capital, (b) has not incurred debts beyond its ability to pay such debts as they mature, and (c) does not have Liabilities in excess of the reasonable market value of its assets. No insolvency Proceedings or similar Proceedings have been, or have been threatened to be, opened over the assets of the Company, and there are no circumstances that would require or justify the opening of or application of such Proceedings.

d. Authorization. The Company has all requisite power and authority, and has taken all action necessary, to execute, deliver and perform this Agreement and the Ancillary Documents, to consummate the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Documents and the consummation by the Company of the transactions contemplated hereby and thereby have been duly approved by the Board of Directors of the Company and the Stockholders; no other proceeding on the part of the Company or the Stockholders is necessary to authorize this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby. The Company does not require the consent, approval or authority of any other Person to enter into or perform its obligations under this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Company and is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and except insofar as the availability of equitable remedies may be limited by applicable Regulations.

e. No Conflict; Required Filings and Consents.

i. The execution, delivery and performance by the Company and the Stockholders of this Agreement and each of the Ancillary Documents to which any or all of the Stockholders or the Company will be a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not:

(A) conflict with or violate the Certificate of Incorporation and the Bylaws;

(B) conflict with or violate any Regulations applicable to the Stockholders, the Stockholder Representative or the Company or by which any property or asset of the Stockholders, the Stockholder Representative or the Company is bound or affected; or

(C) result in any breach of, constitute a Default (or an event that, with notice or lapse of time or both, would constitute a Default) under, require any consent of or notice to any Person pursuant to, give to others any right of termination, amendment, modification, acceleration or cancellation of, allow the imposition of any fees or penalties under, require the offering or making of any payment or redemption under, give rise to any increased, guaranteed, accelerated or additional rights or entitlements of any Person or otherwise adversely affect any rights of the Stockholders or the Company under, or result in the creation of any Encumbrance on any property, asset or right of the Stockholders or the Company pursuant to, any note, bond, mortgage, indenture, agreement, lease, license, Permit, franchise, instrument, obligation or other contract to which the Company is a party or by which the Stockholders or the Company or any of their respective properties, assets or rights are bound or affected.

ii. None of the Stockholders or the Company is required to file, seek or obtain any notice, authorization, approval, order, Permit or consent of or with any Governmental Authority in connection with the execution, delivery and performance by the Stockholders or the Company of this Agreement and each of the Ancillary Documents to which the Stockholders or the Company will be a party or the consummation of the transactions contemplated hereby or thereby or in order to prevent the termination of any right, privilege, license or qualification of the Company, except for such filings as may be required by any applicable federal or state securities or "blue sky" laws.

iii. No "fair price", "interested shareholder", "business combination" or similar provision of any state takeover Regulations is applicable to the transactions contemplated by this Agreement or the Ancillary Documents.

f. Capitalization.

i. Schedule 3(f)(i) sets forth the name of each Person holding any equity securities of the Company and the type and amount of equity security held by such Person. The authorized capital stock of the Company consists of one hundred and thirteen (113) shares of common stock, of which, as of the date of this Agreement there are one hundred and thirteen (113) shares issued and outstanding. All of the issued and outstanding shares of Stock are duly authorized and validly issued. All of the issued and outstanding shares of Stock are voting shares, and there is only one class of stock. No claim has been made or threatened to the Company or the Stockholders asserting that any Person other than a Person listed on Schedule 3(f)(i) is the holder or beneficial owner of, or has the right to acquire beneficial ownership of any equity or ownership interest in the Company. There are (x) no accrued and unpaid dividends on any shares of capital stock and (y) no commitments to issue additional shares of capital stock or other equity securities in the Company.

ii. There are no (A) shares of capital stock outstanding, (B) options, warrants, agreements or convertible, exercisable or exchangeable securities of the Company, (C) securities of the Company reserved for issuance for any purpose, (D) agreements pursuant to which registration rights in the equity securities of the Company have been granted, (E) stockholder agreements (or similar arrangements), whether written or verbal, among any current or former stockholders of the Company, (F) statutory or contractual preemptive rights or rights of first refusal with respect to any shares of capital stock, (G) stock appreciation rights, security-based performance units, "phantom" equity, profit participation or other similar rights or agreements in or related to the Company, (H) dividends which have accrued or have been declared but are unpaid on any securities of the Company, (I) agreements to register any securities of the Company for sale or resale under federal or state securities laws or (J) agreements pursuant to which any Person other than the Stockholders is entitled to any consideration under this Agreement or any Ancillary Document.

iii. The Company has not violated any applicable Regulations governing securities in connection with the offer, sale or issuance of any of its capital stock. The Stockholders are not party to any agreement with respect to the voting or transfer of the equity securities of the Company or with respect to any other aspect of the Company's affairs.

g. Title to Assets.

i. The Company has good and marketable title to, or, in the case of leased properties or properties held under license, a good and valid leasehold or license interest in, all of its properties and assets. The assets, properties and rights of the Company constitute all of the assets, properties and rights which are necessary for the operation of the Company's business as currently conducted. The Company holds legal and beneficial title to each material property and asset which it purports to own, free and clear of any Encumbrances, and each such material property and asset is solely owned by, and in the possession and control of, the Company. The Company is the owner of the domain www.tjmwest.com and such domain is included in the sale.

ii. All of the tangible assets of the Company are in serviceable operating condition and repair (normal wear and tear excepted) and are adequate for the conduct of the Company's business in substantially the same manner as it has heretofore been conducted.

iii. Owned Real Property. The Company is not and has never been the fee owner of any real property.

iv. Leased Real Property. Schedule 3(g)(iv) sets forth a true and complete list of all real property leased by the Company (collectively, the "Leased Real Property"), including the location of, and a brief description of the nature of the activities conducted on, such Leased Real Property. The Company has a valid leasehold interest in the Leased Real Property, free and clear of all Encumbrances, except for Permitted Encumbrances. No Person other than the Company has any right to use, occupy or lease all or any portion of the Leased Real Property. The Company has no pending Liabilities arising out of the use, occupation or lease by the Company of any real property prior to the Closing Date.

h. Absence of Certain Activities or Changes. Since December 31, 2020:

i. the Company has conducted its operations in the Ordinary Course of Business and there has been no Material Adverse Effect on the Company, nor have any event or events occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect on the Company;

ii. The Company has not:

(A) adopted any amendments to the organizational documents of the Company; formed a Subsidiary; or adopted a plan of complete or partial liquidation or dissolution for the Company;

(B) declared, set aside or paid any dividends on, or made any other distributions (whether in cash, equity securities or property) in respect of, any equity or voting securities; split, combined or reclassified any equity or voting securities; or issued or authorized the issuance of any other securities in respect of, in lieu of or in substitution for any equity or voting securities;

(C) purchased, redeemed or otherwise acquired, directly or indirectly, any equity or voting securities;

(D) issued, delivered, granted, sold, authorized, pledged or otherwise encumbered any equity or voting securities, or any securities convertible into equity or voting securities, or subscriptions, rights, warrants or options to acquire any equity or voting securities or any securities convertible into equity or voting securities, or entered into other agreements or commitments of any character obligating it to issue any such securities or rights;

(E) acquired or agreed to acquire by merging or consolidating with, or by purchasing any equity or voting securities in or any assets of, or by any other manner, any business or any Person or division thereof, or otherwise acquired or agreed to acquire any assets;

(F) sold, leased or otherwise disposed of assets or securities, including by merger, consolidation, asset sale or other business combination;

(G) mortgaged or pledged any of its assets (tangible or intangible), or created, assumed or suffered to exist any Encumbrances thereupon;

(H) made any loans, advances or capital contributions to, or investments in, any other Person;

(I) made any material change in its methods or principles of accounting;

(J) made or changed any election, changed an annual accounting period, adopted or changed any accounting method, filed any amended Tax Return, entered into any closing agreement, settled any Tax claim or assessment relating to the Company, surrendered any right to claim a refund of Taxes, consented to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company, or taken any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax Liability of the Company for any period ending after the Closing Date or decreasing any Tax attribute of the Company existing on the Closing Date;

(K) except as required by applicable Regulations or Benefit Plans, (1) increased in any manner the amount of compensation or fringe benefits of, paid any bonus to or granted severance or termination pay to any officer, director or employee of the Company, (2) made any increase in or commitment to increase, in any material respect, any benefits provided under any Benefit Plan (including any severance plan), adopted or amended or made any commitment to adopt or amend any Benefit Plan, made any contribution, other than regularly scheduled contributions, to any Benefit Plan or made any variation to any other terms and conditions of employment of any employee of the Company, (3) waived any equity repurchase rights, (4) hired, given notice of termination of employment to or dismissed any employee, (5) entered into any employment, severance, termination or indemnification agreement with any officer or manager of the Company or (6) entered into any collective bargaining agreement;

(L) entered into any written, oral or other agreement, contract, subcontract, settlement agreement, license, sublicense, or other legally binding commitment containing any non-competition or exclusivity restrictions on the Company;

10

- or claims thereunder;
- (M) incurred any Indebtedness or guaranteed any such Indebtedness of another Person;
 - (N) made or committed to make capital expenditures in excess of an aggregate of \$20,000;
 - (O) modified, amended or terminated any Material Contract currently in effect, or waived, released or assigned any material rights
 - (P) waived, released, assigned, settled or compromised any Proceeding;
 - (Q) entered into a Material Contract required to be, but not otherwise set forth on Schedule 3(i); or
 - (R) agreed in writing or otherwise to take any of the actions described in (A) through (R) above.

i. Material Contracts.

i. Schedule 3(i) contains a list of all agreements, contracts, leases, licenses, instruments, commitments, Indebtedness (including all evidences of Indebtedness owed to the Company by any officer, director or employee of the Company), Liabilities and other obligations to which the Company is a party or by which the Company is bound (collectively, the "**Material Contracts**") that:

- (A) are material to the conduct or operations of the Company's business or its properties;
- (B) require the Company to provide in-kind consideration;
- (C) contain (1) covenants to indemnify or hold harmless any Person or (2) covenants not to (or otherwise restricting or limiting the Company's ability to compete in any line of business or geographical area, including any covenant not to compete with respect to the manufacture, marketing, distribution or sale of any product or product line, (3) most-favored nations or similar clauses, (4) exclusivity covenants or provisions or (5) provisions that otherwise restrict the Company's ability to operate the Business in any manner;
- (D) involve real property;
- (E) involve a joint venture, partnership, or limited liability company relationship;
- (F) contain provisions related to minimum purchase or sale requirements;
- (G) govern or relate to Indebtedness, including guarantees for money borrowed by others;

11

- (H) are with Material Customers or Material Suppliers;
- (I) relate to the acquisition or disposition of any material assets;
- (J) require payments by the Company in excess of \$15,000 per annum;
- (K) contain a "change of control" or similar provision (other assets than any Benefit Plan);
- (L) are for the performance of services or the delivery of any goods, equipment or materials by the Company (other than in the Ordinary Course of Business with the same Person involving amounts of less than \$15,000 per annum);
- (M) require capital expenditures or the acquisition or construction of fixed assets which requires aggregate future payments in excess of \$15,000;
- (N) are with any Governmental Authority or permit the Company to receive payment, directly or indirectly, from any Governmental Authority, including any Government Contracts; or
- (O) are not terminable upon ninety (90) or fewer calendar days' notice without penalty or additional Liabilities.

ii. The Company has delivered to the Buyer true, correct, and complete copies of the Material Contracts, including any amendments, modifications, or supplements thereto.

iii. Each Material Contract is in full force and effect and paid in the Ordinary Course of Business. All of the Material Contracts are valid, binding and enforceable against the Company in accordance with their terms except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights generally and except insofar as the availability of equitable remedies may be limited by applicable Regulations. The Company is not in Default under any Material Contract. To the Knowledge of the Company, no other party is in Default under any Material Contract and no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would constitute such a Default and no written notice of any claim of Default has been given to the Company. The Company is not currently paying liquidated damages in lieu of performance under any Material Contract. The consummation of the transactions contemplated by this Agreement and the Ancillary Documents will neither violate nor result in the breach, modification, cancellation, termination or suspension of any Material Contract. Buyer will be permitted to exercise all of the Company's rights under all Material Contracts to the same extent the Company would have been able to had the transactions contemplated by this Agreement and the Ancillary Documents not occurred and without being required to pay any additional amounts or consideration other than fees, royalties or payments which the Company would otherwise be required to pay had such transactions contemplated hereby and thereby not occurred.

j. Financial Statements.

i. The Company has heretofore furnished to the Buyer (a) copies of the balance sheets of the Company as of December 31, 2020, 2019, and 2018, together with the related unaudited statements of operations and comprehensive income, changes in stockholder's equity and cash flows for the periods then ended and the notes thereto, (b) copies of the unaudited balance sheet of the Company as of July 31, 2021 (the "**Most Recent Balance Sheet**"), together with the related unaudited statements of operations and comprehensive income, changes in stockholder's equity and cash flows for the period then ended and the notes thereto (all the financial statements referred to in clauses (a) and (b) above being hereinafter collectively referred to as the "**Financial Statements**"). The Financial Statements (i) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, (ii) are true, correct and complete in all material respects and have been prepared in accordance with the books and records of the Company, (iii) present fairly in all material respects the financial position, results of operations and cash flows of the Company as of such dates and for the periods then ended and (iv) can be reconciled with the financial records maintained and accounting methods applied by the Company.

ii. The Company has established and maintains a system of internal control over financial reporting and internal accounting controls to provide reasonable assurances (i) regarding the reliability of financial reporting and that all transactions are recorded as necessary to permit to the preparation of Financial Statements in accordance with GAAP, (ii) that receipts and expenditures of the Company are being made only in accordance with the authorization of the Company's management, and (iii) regarding prevents or timely detection of the unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements. The Company has not received or otherwise had or obtained Knowledge of any written complaint, allegation or claim regarding the accounting, audit or review practices, procedures, methodologies or methods of the Company or its internal control over financial reporting and internal accounting controls (insofar as such controls relate to the Company) or the Company's internal control over financial reporting and internal accounting controls, including any complaint, allegation, assertion or claim that the Company has engaged in questionable accounting, review or audit practices, to the extent such complaint, allegation or claim was made, or remained unresolved at any time, on or after January 1, 2018.

k. Liabilities.

i. The Company does not have Liabilities of any nature that are not shown or provided for on the Most Recent Balance Sheet, other than Liabilities as shall have been incurred or accrued in the Ordinary Course of Business since the date of the Most Recent Balance Sheet, that are not, individually or in the aggregate, material to the Company.

ii. Other than unsecured trade payables incurred in the Ordinary Course of Business, the Company has not incurred, nor has the Company agreed to incur, any Indebtedness.

l. Taxes.

i. The Company has timely and properly filed all Tax Returns that the Company is required to have filed under applicable Regulations. All such Tax Returns were and remain accurate, complete and correct in all respects. No such Tax Return is, or is likely to be, the subject of any material dispute with any Governmental Authority.

ii. The Company has timely paid, or will cause to be timely paid, all Taxes required to be paid by the Company (whether or not shown as due on any Tax Returns) and no penalties, fines or interest in respect of such Taxes have been incurred.

iii. The Company and Stockholders represent that:

(A) no claim has been made by any Governmental Authority in any jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax by that jurisdiction, and the Company has no Knowledge that any such claim is being contemplated;

(B) no extensions of time within which to file and no extensions or waivers of statutes of limitations, in each case, with respect to the Company's Tax Returns or any assessment or deficiency of Tax, have been requested by, given to or requested from the Company (or on its behalf);

(C) no claim for assessment or collection of Taxes is presently being asserted against the Company, and there is no presently pending, ongoing, contemplated or planned audit, examination, refund claim, litigation, Proceeding, proposed adjustment or matter in controversy (whether administrative, judicial or otherwise) with respect to any Taxes of, or with respect to, the Company; and

(D) the Company has not, with respect to any Tax matter, granted a power of attorney that is currently in effect.

iv. All deficiencies asserted or assessments made against the Company as a result of any examinations by any Governmental Authority have been fully paid. No manager, director or officer (or employee responsible for Tax matters) of the Company expects any authority to assess any additional Taxes against, or with respect to, the Company for any period for which Tax Returns have been filed. The Company has not received any (i) request for information related to Tax matters from any Governmental Authority or (ii) notice of any dispute, claim or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any Governmental Authority against, or with respect to, the Company.

v. There are no liens or charges for Taxes (other than for current Taxes not yet due and payable but including inheritance Tax) upon the Stock or upon the assets of the Company.

vi. The Company has fully accrued as Liabilities in the Financial Statements or has made provisions for the payment of all Taxes that have accrued but not yet become due.

vii. The Company is not a party to, or bound by, any Tax indemnity, Tax sharing, Tax allocation or similar agreement.

viii. The Company is not a party to, or bound by, any closing agreement, offer in compromise, concession or other agreement or arrangement with any Governmental Authority with respect to Taxes or any matter relating thereto. The Company has not received any private letter ruling (or any comparable ruling from any Governmental Authority) with respect to Taxes or any matter relating thereto.

ix. The Company has delivered to the Buyer correct and complete copies of all Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by the Company filed or received since December 31, 2016.

x. The Company has timely and properly withheld and paid over to the appropriate Governmental Authority all Taxes required to be withheld and paid over in connection with any amounts paid or owing to any employee, creditor, independent contractor, member, manager, equityholder or other third party.

14

xi. The Company's (and any predecessor of the Company) S corporation election has been valid within the meaning of Code Sections 1361 and 1362 at all times during the five-year period ending before the Closing Date.

xii. The Company is not a "controlled foreign corporation" or "passive foreign investment company," as such terms are defined in the Code, and does not have a permanent establishment (within the meaning of an applicable Tax treaty), office or other fixed place of business in a country other than the country in which it is organized.

xiii. The Company has no potential Tax liability under Section 1374 of the Code. The Company has not in the past five years (A) acquired the assets from another corporation in a transaction in which the Company's basis for acquired was determined, in whole or part, by reference of Tax basis of acquired assets in the hands of the transferer, or (B) acquired the stock of any corporation that is qualified as a subchapter S subsidiary.

xiv. The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(A) on or prior to the Closing Date;

(B) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(C) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date;

(D) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local, or non-U.S. income Tax Regulations) executed on or prior to the Closing Date;

(E) intercompany transaction or excess loss account described in Regulations under Code Section 1502 (or any corresponding or similar provision of state, local, or non-U.S. income Tax Regulations);

(F) installment sale or open transaction disposition made on or prior to the Closing Date;

(G) prepaid amount received on or prior to the Closing Date; or

(H) election under Code Section 108(i).

xv. The Company has not distributed the stock of another Person, or had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or part by Code Section 355 or Code Section 361.

xv. The Company has not been a party to, or a promoter of, a "reportable transaction" within the meaning of Code Section 6707A(c)(1) and Treasury Regulations Section 1.6011-4(b).

15

xvi. The Company has disclosed on its federal income Tax returns all positions taken therein that could give rise to a "substantial understatement of income tax" within the meaning of Code Section 6662.

xvii. The Company is not a party, partner, member or otherwise subject to any joint venture, partnership, limited liability company or other arrangement or contract that is treated as a partnership for U.S. federal income Tax purposes (excluding the Company's treatment as such).

m. [Reserved]

n. Compliance with Law. The Company is and has been in material compliance with all Regulations and all Governmental Orders applicable to the Company and required in the operations of its business. Neither the Company nor any Stockholder has been charged with violating, or has received any notice to the effect that it has violated or is not in compliance with, any such Regulations or Governmental Orders. Neither the Company nor any Stockholder is aware of any existing circumstances that are likely to result in violations of any of the foregoing.

o. Permits. Schedule 3(o) sets forth a complete list of all Permits used in the operation of the Company's business or otherwise held by the Company in connection with its business, all of which are in full force and effect as of the date hereof. The Company has all Permits required in the operation of its business and to own, lease and operate its properties and assets, and such Permits are in full force and effect and are owned by or issued to the Company free and clear of all Encumbrances. The Company is not in material Default, nor has the Company received any notice of any claim of Default, with respect to any such Permit. Such Permits will not be adversely affected by the completion of the transactions contemplated by this Agreement and the Ancillary Documents. No suspension or cancellation of any such Permits is pending or, to the Knowledge of the Company, threatened.

p. Litigation. There is no (and, since three years prior to the date hereof, there has not been any) audit, action, suit, claim, arbitration, investigation (including any recoupment or offset notices) or other proceeding, including any matrimonial or similar proceeding, of any kind by any Person ("Proceeding") pending (or, to the Knowledge of the Company, threatened) against the Company, or relating to its activities, properties or assets or, to the Knowledge of the Company, against any officer, director or employee of the Company or the Stockholders in connection with such officer's, director's, employee's or Stockholders' relationship with, or actions taken on behalf of, the Company. To the Knowledge of the Company, there is no factual or legal basis for any Proceeding that would be reasonably likely to result, individually or in the aggregate, in a material Liability for the Company. Neither the Company nor the Stockholders is a party to, or subject to, the provisions of any Governmental Order, writ, injunction, judgment or decree of any Governmental Authority, and there is no Proceeding by the Company currently pending or which the Company intends to initiate.

q. Labor Matters.

i. The Company is not bound by, nor subject to (and none of its assets or properties is bound by or subject to), any written or oral, express or implied, contract, commitment or arrangement with any labor union or other employee representative body and, to the Knowledge of the Company, no labor union or other employee representative body has requested or has sought to represent any of the employees, Representatives or agents of the Company.

ii. There is no strike or other labor dispute involving the Company or, to the Knowledge of the Company, threatened or pending. The Company has not, during the period beginning five years prior to the date of this Agreement, received any demand letters, civil rights charges, suits, drafts of suits, administrative or other claims from any of its employees and, to the Knowledge of the Company, there are none threatened or pending.

16

iii. All individuals who are performing consulting or other services for the Company are correctly classified by the Company as either "independent contractors."

iv. Schedule 3(q)(iv) contains a list of all employees of the Company and accurately reflects their salaries, any other compensation payable to them (including any bonus amounts, compensation payable pursuant to any other bonus, deferred compensation or commission arrangements), their job classification (exempt or non-exempt), their location of employment and supervisor, any agreement relating to any such employee's employment (if other than employment at will), dates of employment, their positions, whether any such employee is on leave of any kind (and the kind of such leave) and each employee's sick and vacation leave (or other paid time off) that is accrued but unused. The Company has not received from any of its employees any notice terminating his or her employment with the Company or any indication of an intention or plan to terminate his or her employment with the Company. All amounts due and payable to the employees (present or former) of the Company as on the date of this Agreement, whether contractually or statutorily required, have been made.

v. Schedule 3(g)(iv) contains a list of all leased or seconded employees and all independent contractors used by the Company and any agreement relating to such relationship. Each leased or seconded employee and independent contractor listed on Schedule 3(g)(iv) has the requisite Permits required to provide the services such independent contractor provides to the Company.

vi. No compensation, payment or other benefit of any kind (including a promotion or an extension of any notice period) has been granted or promised to any officer or employee of the Company in connection with the transaction contemplated herein.

r. Intellectual Property.

i. None of the Software or any other Intellectual property used or owned by the Company has violated or infringed upon, is violating or infringing upon, or by conducting the Company's business as currently or previously conducted, will violate or infringe upon, any intellectual property or other right of any third party.

ii. Privacy. The Company's privacy practices conform, and at all times have conformed, in all material respects to its privacy policies (whether internal, public or otherwise) and contractual commitments. The Company has complied in all material respects with all applicable Regulations relating to (i) the privacy of users of the Company Offerings and the Company's websites, and (ii) the collection, use, storage and disclosure of any personally identifiable information collected by the Company ("**Personal Data**"), and by third parties acting on the Company's behalf or having authorized access to the Company's records. Except as required to process a transaction or provide the Company Offerings, the Company has not disclosed, nor does it have any obligation to disclose, any Personal Data to any third party. Neither this Agreement nor the transactions contemplated by this Agreement will violate any of the Company's privacy policies as they currently exist or as they existed at any time during which any of the Personal Data was collected or obtained.

17

iii. Data Security. With respect to all data and information accessed, received, collected, controlled, processed, transmitted, maintained, or possessed by the Company in connection with the Company Business (the "**Company Data**"), the Company has at all times taken all steps reasonably necessary (including implementing and monitoring compliance with reasonable measures with respect to technical and physical security) to protect such Company Data against loss and against unauthorized access, use, modification, disclosure or other misuse. There has been no unauthorized access to, disclosure of or other misuse of Company Data. The Company has established and is in compliance with a written information security program. The Company and its service providers' hardware, software, encryption, systems, policies and procedures are sufficient to protect the security and confidentiality of all Company Data. Neither the Company, nor any of its service providers, has suffered a security breach with respect to Company Data in the last five years. No breach or violation of any security program described above has occurred or is threatened, and there has been no unauthorized or illegal use of or access to any Company Data. The Company has not notified, nor has it been required to notify, any Person of any information security breach involving Company Data.

iv. Social Media. The Company and the Stockholders have provided the Buyer with all user names and passwords associated with the Company's social media accounts. The Company has complied with all terms of use, terms of service and other agreements and all associated policies and guidelines relating to their use of any social media platforms, sites or services.

s. Transactions with Certain Persons. (a) the Company does not have Liability for borrowed money owing to any stockholder, employee or Affiliate of the Company; (b) no stockholder, director, consultant, employee or Affiliate of the Company has, or on the Closing Date will have, any Liability for borrowed money owing to the Company, except for expense advances incurred in the Ordinary Course of Business; and (c) no stockholder, director, consultant, employee, or Affiliate of the Company or, to the Company's Knowledge, any individual related by blood, marriage, or adoption to any such Person, is a party to any material contract, agreement, arrangement or transaction with the Company that will survive the Closing or has any material interest in any property or asset used by the Company.

t. Insurance. Schedule 3(t) sets forth a complete and correct list of all insurance policies of the Company of any kind currently in force and also sets forth for each insurance policy the type of coverage, the name of the insureds, the insurer, the premium, the expiration date, the deductibles and loss retention amounts and the amounts of coverage. True, correct and complete copies of such insurance policies have been delivered to the Buyer. All such insurance policies are in full force and effect, are not void or voidable and insure the Company in reasonably sufficient amounts against normal risks usually insured against by Persons operating similar businesses or properties of similar size in the localities where such businesses or properties are located. The Company does not have any self-insurance or co-insurance programs. The Company is not in Default under any provision of, nor has the Company received notice of cancellation of, any such insurance policy. No action has been taken or omitted to be taken by the Company that is likely to result in an increase in premium under any such insurance policy, and all premiums due under such insurance policy have been paid. To the Company's Knowledge, no event has occurred, including the failure by the Company to give any notice or information or by giving any inaccurate or erroneous notice or information, that materially limits or impairs the rights of the Company under any excess liability or protection and indemnity insurance policies. No claim is outstanding under any such insurance policy and no circumstance gives rise, or is likely to give rise, to a claim under any such insurance policy.

u. Anti-Bribery; International Matters. None of the directors, officers, agents or employees of the Company or any of their Affiliates has, in each

case in connection with the Company's business, (a) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses, including expenses related to political activity, (b) made any unlawful payment to foreign or domestic Government Officials or to foreign or domestic political parties or campaigns, made any bribes or kickback payments or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (c) made any other unlawful payment.

v. No Brokers. None of the Stockholders, the Company or its Affiliates, officers, directors or employees (or any officers, directors or employees of the Company's Affiliates), has entered into, or will enter into, any contract, agreement, arrangement or understanding with any broker, finder or similar agent or any Person which will result in an obligation of the Buyer, the Company or any of their respective Affiliates to pay any finder's fee, brokerage fees or commission or similar payment in connection with the transactions contemplated hereby.

w. Books and Records. The Company has made and kept (and given the Buyer access to) its true, correct and complete books and records and accounts, which, in reasonable detail, accurately and fairly reflect the activities of the Company. The minute books of the Company previously made available to the Buyer or its Affiliates accurately and adequately reflect in all material respects all action previously taken by the Stockholders, the officers, the Board of Directors and committees of the Board of Directors, as applicable, of the Company. The copies of the books and records of the Company previously made available to the Buyer or its Affiliates are true, correct and complete, and accurately reflect all transactions effected in the Stock of the Company through and including the date hereof.

x. [Intentionally Omitted]

y. Material Customers and Suppliers. **Schedule 3(y)** contains a list setting forth (a) the top ten (10) customers of the Company, by dollar amount of revenue recognized, over the twelve (12) and twenty-four (24) months ended on the date of the Most Recent Balance Sheet (and the amount of revenue recognized with respect to each such customer during such twelve (12) and twenty-four (24) month period) (the "**Material Customers**") and (b) the top ten (10) suppliers of, and service providers to, the Company, by dollar amount paid, over the twelve (12) months ended on the date of the Most Recent Balance Sheet (and the amount paid to each such supplier or service provider during such twelve (12) month period) (the "**Material Suppliers**"). The Seller shall provide a formal introduction of all key suppliers and top parts vendors to the Buyer within two (2) weeks from Closing.

z. Accounts Receivable; Accounts Payable.

i. The Parties acknowledge that all "**Accounts Receivable**" of the Company (defined as valid obligations arising from sales actually made or services actually performed by the Company in the Ordinary Course of Business) shall be distributed out of the Company to the Stockholders prior to Closing. Buyer expects to receive no rights to or benefits from the Company's Accounts Receivable. **Schedule 3(z)(i)** sets forth an itemized list of the Company's Accounts Receivable. The Accounts Receivable are current and collectible. There is no contest, claim, or right of set-off, other than returns in the Ordinary Course of Business, under any contract with any obligor of any Accounts Receivable relating to the amount or validity of such Accounts Receivable.

ii. **Schedule 3(z)(ii)** sets forth an itemized list of accounts payable of the Company (collectively, the "**Accounts Payable**") as of the Most Recent Balance Sheet, and such list sets forth the aging of such Accounts Payable, and whether such Accounts Payable are Work- In-Progress Accounts Payable, or ordinary Accounts Payable for Company Offerings which have already shipped. The Parties acknowledge that except for the Work-In-Progress Accounts Payable, all Accounts payable of the Company shall be distributed out of the Company to the Stockholders prior to Closing. The Accounts Payable are (i) valid payables arising from bona fide transactions in the Ordinary Course of Business and (ii) carried at values determined in accordance with GAAP. There is no contest, claim, or right of set-off under any contract with any Person owed Accounts Payable relating to the amount or validity of such Accounts Payable. At the time of Closing, the Seller will have paid and zeroed out his account with all suppliers for all parts in Work-In-Progress Inventory as well as any parts shipped and in receivables. The Buyer will have no cost of Work-In-Parts Inventory.

iii. The Schedules related to Accounts Receivable and Accounts Payable shall be updated to be current as of the Closing Date.

aa. Environmental Law.

i. The Company has obtained each material Permit that it is or was required to obtain under any Environmental Law. The Company is and always has been in material compliance with all Environmental Laws and the terms and conditions of all Permits issued with respect to the Company pursuant to any Environmental Law.

ii. Neither the Company nor any other Person for whose conduct the Company is, or could be held, responsible has received any order, notice, or other communication (written or oral) relating to any actual, alleged, or potential violation of, or failure to comply with, any Environmental Law, or any actual or potential Liability under Environmental Law.

iii. There are no pending or, to the Knowledge of the Company, threatened claims resulting from any Liability arising under, or pursuant to, any Environmental Law, with respect to or affecting any of the Leased Real Property or any other asset owned or used by the Company or in which it has or had an interest.

iv. Neither the Company nor any other Person for whose conduct the Company is, or could be held, responsible has any Liability under Environmental Law, and no event has occurred or circumstance exists that (with or without notice or lapse of time) could result in the Company or any other Person for whose conduct the Company is, or could be held, responsible (i) having any Liability under Environmental Law or (ii) violating any Environmental Law.

v. To the Knowledge of the Company, there has been no Release of Hazardous Material by the Company on or under the Leased Real Property or any geographically, geologically, hydraulically or hydro-geologically adjoining property ("**Adjoining Property**").

iv. To the Knowledge of the Company, none of the Leased Real Property and no Adjoining Property, contains any (i) above-ground or underground storage tanks or (ii) landfills, surface impoundments, or disposal areas.

v. The Company has delivered to the Buyer copies of all reports, studies, analyses, or tests initiated by or on behalf of, or in the possession of, the Company pertaining to (i) the environmental condition of, or Hazardous Materials in, on, or under, the Leased Real Property or any Adjoining Property, (ii) the generation, handling, management, release, storage, transfer, transportation, treatment or use of the Hazardous Material in the operation of the Company's business and (iii) compliance with Environmental Laws.

bb. Government Contracts.

i. Company has: (i) no Government Contracts; (ii) no contractual obligation to renegotiate any Government Contract; (iii) not been suspended or debarred from bidding on Government Contracts; (iv) not been audited or investigated by any Governmental Authority with respect to Government Contracts; and (v) not had a Government Contract terminated by any Governmental Authority for default or failure to perform in accordance with applicable standards.

20

ii. All Government Contracts of the Company are fully funded, none have been cancelled and none are subject to cancellation before the expiration thereof.

iii. The Company is, and for the past seven (7) years has been, in compliance with all Regulations establishing or relating to embargoes and sanctions of or by the United States, and has obtained and maintained, as applicable, all licenses, shipping documentation and authorizations that are required by any Governmental Authority.

cc. Disclosure. No representation or warranty of the Company or the Stockholders in this Agreement or the Ancillary Documents omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading. To the Company's Knowledge, there is no fact that has specific application to the Company (other than general economic or industry conditions) and that materially adversely affects or materially threatens, the assets, business, prospects, financial condition, or results of operations of the Company that has not been set forth in this Agreement or any Ancillary Document.

dd. Reliance. THE STOCKHOLDERS HEREBY ACKNOWLEDGE THAT THE BUYERS HAVE ENTERED INTO THIS TRANSACTION IN EXPRESS RELIANCE UPON THE REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS MADE IN THIS AGREEMENT AND THE ANCILLARY DOCUMENTS.

4. REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS: As a material inducement to the Buyer to enter into this Agreement, each Stockholder, jointly and severally, hereby makes the following representations and warranties to the Buyer:

a. Ownership of Stock. Each Stockholder is the beneficial and registered owner of the Stock set forth opposite such Stockholder's name on Schedule 3(f), and each Stockholder has good and valid title to the Stock, free and clear of any Encumbrances (other than the rights of the Buyer created hereunder). No Stockholders is a party to any agreements pursuant to which registration rights in the equity securities of the Company have been granted, or stockholder agreements (or similar arrangements), whether written or verbal, among any current or former stockholder of the Company. Each Stockholder represents and warrants that he has the right to sell and transfer to the Buyer the full legal and beneficial interest in the Stock on the terms set out in this Agreement.

b. Authority and Execution. Each Stockholder has good and sufficient legal right, power and authority to enter into and deliver this Agreement and the Ancillary Documents and to complete the transactions to be completed by such Stockholder contemplated hereunder and thereunder. No Stockholder requires the consent, approval or authority of any other Person to enter into or perform his obligations under this Agreement and the Ancillary Documents and to complete the transactions to be completed by such Stockholder contemplated hereunder and thereunder. This Agreement has been duly executed and delivered each Stockholder and constitutes the legal, valid, and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

c. Compliance with Other Instruments. The execution, delivery and performance of, and compliance with, this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby will not (a) conflict with any Regulations or Governmental Orders applicable to any Stockholder or (b) violate, conflict with, result in any breach of, constitute a Default under, or give to others any rights of termination or acceleration of any material contract to which any Stockholder is a party, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) upon any of the properties or assets of such Stockholder.

21

d. Stockholder Litigation. There is no Proceeding pending against any Stockholder relating to activities, properties or assets of the Company. There is no factual or legal basis for any Proceeding that would be reasonably likely to result, individually or in the aggregate, in a material Liability for any Stockholder or the Company. No Stockholder is a party to or subject to the provisions of any Governmental Order, writ, injunction, judgment or decree of any Governmental Authority and there is no Proceeding by any Stockholder currently pending or which any Stockholder intends to initiate relating to activities, properties or assets of the Company.

e. Taxes.

i. Each Stockholder has timely paid, or will cause to be timely paid, all Taxes required to be paid by such Stockholder with respect to the Company (whether or not shown as due on any Tax Returns) and no penalties, fines or interest in respect of such Taxes have been incurred.

ii. Each of the Stockholders represents each of the following:

(A) no claim has been made by any Governmental Authority in any jurisdiction where any Stockholder does not file Tax Returns that such Stockholder is, or may be subject to, Tax by that jurisdiction with respect to the Company, and the Stockholders have no Knowledge that any such claim is being contemplated; and

(B) no claim for assessment or collection of Taxes is presently being asserted against any Stockholder, and there is no presently pending, ongoing, contemplated or planned audit, examination, refund claim, litigation, Proceeding, proposed adjustment or matter in controversy (whether administrative, judicial or otherwise), related to any Taxes with respect to the Company, including but not limited to any items of income, gain, loss or deduction of the Company.

iii. All deficiencies asserted or assessments made against any Stockholder as a result of any examinations by any Governmental Authority with respect to the Company have been fully paid. No Stockholder expects any authority to assess any additional Taxes against or with respect to the Company for any period for which Tax Returns have been filed. No Stockholder has received any (i) request for information related to Tax matters from any Governmental Authority or (ii) notice of any dispute, claim or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any Governmental Authority against or with respect to the Company.

f. No Brokers. Neither the Stockholders, nor any of the Stockholders' Affiliates, have entered into or will enter into, any contract, agreement, arrangement or understanding with any broker, finder or similar agent or any Person which will result in an obligation of the Buyer, the Company, the Stockholders or any of its Affiliates to pay any finder's fee, brokerage fees or commission or similar payment in connection with the transactions contemplated hereby.

5. REPRESENTATIONS AND WARRANTIES OF BUYER: As a material inducement to the Company and the Stockholders to enter into this Agreement,

the Buyer hereby jointly and severally make the following representations and warranties to the Company.

a. Authority. Buyer has the full right, power and authority to execute, deliver and perform this Agreement and all actions and transactions contemplated hereby.

22

b. Validity. This Agreement constitutes a valid and binding obligation of Buyer enforceable in accordance with its terms. Neither the execution and delivery nor the performance of this Agreement will result in any breach of any term or provision of any contract, agreement, indenture or other instrument, or any judgment, decree or order of any court to which the Buyer would be bound.

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF COMPANY AND STOCKHOLDERS HEREUNDER: The Stockholders' and Company's obligations to consummate Closing hereunder are subject to the fulfillment of all the following conditions prior to Closing:

a. No Breach of Representations and Warranties. Buyer's representations and warranties contained in this Agreement shall be true on the Closing Date as though such representations and warranties were made at such time. Any breach of a representation or warranty by the Buyer shall be subject to a thirty (30) day cure period following written notice, before such breach shall be deemed a failure of this condition.

In the event that the Stockholders and/or the Company are unwilling to consummate Closing hereunder due to the failure of any of the above conditions, the Stockholders and the Company shall not be obligated to consummate Closing, and the Stockholders and the Company may terminate their obligations under this Agreement by delivering to Buyer written notice of termination prior to or on the Closing Date, in which event no Party hereunder shall thereafter have any further obligation or liability whatsoever under this Agreement.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER HEREUNDER: The Buyer's obligations to consummate Closing hereunder are subject to the fulfillment of all the following conditions prior to Closing:

a. No Breach of Representations and Warranties. Stockholders' and the Company's representations and warranties contained in this Agreement shall be true on the Closing Date as though such representations and warranties were made at such time. Any breach of a representation or warranty by a Shareholder or the Company shall be subject to a thirty (30) day cure period following written notice, before such breach shall be deemed a failure of this condition.

In the event that the Buyer is unwilling to consummate Closing hereunder due to the failure of any of the above conditions, the Buyer shall not be obligated to consummate Closing, and the Buyer may terminate its obligations under this Agreement by delivering to Company written notice of termination prior to or on the Closing Date, in which event no Party hereunder shall thereafter have any further obligation or liability whatsoever under this Agreement.

8 CLOSING: Closing under this Agreement ("**Closing**") shall take place promptly following the completion of all conditions set forth in Sections 6 and 7 of this Agreement to the satisfaction of Buyer, with Buyer having the discretion to waive any such conditions. The Parties intend that Closing will occur on or sometime before September 15, 2021 (the "**Closing Date**"). Closing shall take place at such place as shall be mutually agreed to by the Parties. Except as otherwise provided in this Agreement, the time for Closing, and all other times set forth in this Agreement are hereby agreed to be of the essence of this Agreement.

a. The Stockholders' and the Company's Closing Deliverables. At the Closing, the Stockholders and the Company shall deliver, or cause to be delivered, to the Buyer:

23

i. Closing Certificate. A certificate, dated the Closing Date and signed by an authorized executive officer of the Company, (i) attaching and certifying as to the good standing certificates for the Company, dated no more than ten (10) calendar days prior to Closing, from the Arizona Corporation Commission, and any other secretary of state or comparable Government Official in the jurisdictions in which the Company is qualified to do business, and (ii) attaching and certifying as to the resolutions duly adopted by the Board of Directors of the Company and the Stockholders authorizing the Company's execution, delivery and performance of this Agreement and the Ancillary Documents to which the Company is a party and the Company's consummation of the transactions contemplated by this Agreement and the Ancillary Documents.

ii. Consents and Approvals. In form and substance satisfactory to the Buyer: (i) all Permits from, and consents and requisite notifications of, Governmental Authorities that are required for the consummation of the transactions contemplated hereby, and (ii) the consents of third parties set forth on Schedule 8(a)(ii) hereto.

iii. Indebtedness/Liens.

(A) Pay-off letters and lien releases (including any UCC termination statements), in form and substance satisfactory to the Buyer, from each lender or other third party with respect to the Indebtedness set forth on Schedule 2(d)(i) and any Encumbrances on the Stock or the assets of the Company (each a "**Pay-Off Letter**"), which Pay-Off Letter will specify the aggregate amount of Indebtedness to such lender or third party that will be outstanding as of the Closing Date and wire transfer information for such lender or third party.

(B) Evidence in a form and substance satisfactory to the Buyer that any Indebtedness of the Company not set forth on Schedule 2(d)(i) has been paid off. The only shareholder loan of record issued by the Company to Thomas McCarthy will be paid off as part of the Acquisition Consideration.

iv. Stock Power. In accordance with Section 2(d)(ii), the duly executed Stock Powers.

v. Resignations. Written resignations, effective as of the Closing Date, of the officers, directors, managers and secretaries (as applicable) of the Company set forth on Schedule 8(a)(v).

vi. FIRPTA. A non-foreign affidavit from each Stockholder dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under Regulations issued pursuant to Section 1445 of the Code, stating that the Stockholder is a not "foreign person" as defined in Section 1445 of the Code.

vii. Additional Documentation. The Company and the Stockholders shall have delivered such other customary instruments of transfer, assumption, filings or documents, in a form and substance reasonably satisfactory to the Buyer, as may be required to consummate the transactions contemplated hereby.

- b. Other Conditions. All the items set forth in Section 8(a) shall be delivered.

In the event that Buyer is unwilling to consummate Closing hereunder due to the failure of any of the above conditions, the Buyer shall have the right to terminate this Agreement by delivering to the Company and Stockholders written notice of termination, whereupon no party hereunder shall thereafter have any further obligation or liability whatsoever under this Agreement. If any of the foregoing conditions are unmet and are under the control of, or dependent upon the action of the Company or the Stockholders, Buyer shall have the option to waive the performance of such unmet conditions, and require the transactions described in this Agreement to proceed to Closing.

9. INDEMNIFICATION:

i. Obligation of Parties to Indemnify.

1. Indemnification by Stockholders. The Stockholders shall jointly and severally indemnify the Buyer and its partners, employees, agents and Affiliates (the "**Buyer Indemnified Parties**") from and against any and all claims, losses, damages, liabilities, obligations or expenses, including legal fees and expenses, incurred or suffered (collectively, "**Losses**"), to the extent arising or resulting from any of the following:

- A. any breach by a Stockholder of any of his or her representations and warranties in this Agreement;
- B. any breach by a Stockholder of any of his or her covenants or agreements in this Agreement;
- C. any Losses, including but not limited to Losses relating to taxes, suffered or incurred by any Buyer Indemnified Party after the Closing hereunder arising from or relating to any debts, obligations or liabilities of the Company or the Stockholders' operation of the Company Business prior to Closing, other than any Liabilities expressly assumed pursuant to this Agreement; or
- D. any action, obligation, liability or debt of the Company.

2. Indemnification by Buyer. Buyer shall indemnify the Stockholders, their agents and their Affiliates (the "**Seller Indemnified Parties**") from and against any and all Losses, to the extent arising or resulting from any of the following:

- A. any breach by Buyer of any of Buyer's representations, warranties, covenants or agreements in this Agreement; or
- B. any Losses suffered or incurred by any Seller Indemnified Party after the Closing hereunder arising from or relating to the operation of the Company Business after Closing, and any Liabilities expressly assumed pursuant to this Agreement.

3. Administration of Indemnification. For purposes of administering the indemnification provisions set forth in this Section 9, the following procedure shall apply:

a. Whenever a claim shall arise for indemnification under this Section 9, the party entitled to indemnification (the "**Indemnified Party**") shall reasonably promptly give written notice (a "**Claim Notice**") to the party from whom indemnification is sought (the "**Indemnifying Party**") setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder.

b. In the event of any claim for indemnification resulting from or in connection with any claim by a third party, the Indemnifying Party shall be entitled, at its sole expense, either (a) to participate in defending against such claim or (b) to assume the entire defense with counsel which is selected by it and which is reasonably satisfactory to the Indemnified Party provided that (1) the Indemnifying Party agrees in writing that it does not and will not contest its responsibility for indemnifying the Indemnified Party in respect of such claim or proceeding and (2) no settlement shall be made and no judgment consented to without the prior written consent of the Indemnified Party which shall not be unreasonably withheld (except that no such consent shall be required if the claimant is entitled under the settlement to only monetary damages actually paid by the Indemnifying Party). If, however, representation of both parties by the same counsel would otherwise be inappropriate due to actual or potential conflicts of interests between them, then the Indemnified Party shall be entitled to engage separate legal counsel to defend the Indemnified Party against such claim at the sole expense of the Indemnifying Party.

c. If the Indemnifying Party does not choose to defend against a claim by a third party, the Indemnified Party may defend in such manner as it deems appropriate or settle the claim (after giving notice thereof to the Indemnifying Party) on such terms as the Indemnified Party may deem appropriate, and the Indemnified Party shall be entitled to periodic reimbursement of defense expenses incurred and prompt indemnification from the Indemnifying Party in accordance with this Section 9.

d. Failure or delay by an Indemnified Party to give a reasonably prompt Claim Notice (if given prior to expiration of any applicable survival period) shall not release, waive or otherwise affect an Indemnifying Party's obligations with respect to the claim, except to the extent that the Indemnifying Party can demonstrate actual and material loss or prejudice as a result of such failure or delay.

ii. Survival of Representations and Warranties. The representations and warranties of the Company, the Stockholders and of the Buyer contained in this Agreement shall, without regard to any investigation made by any party, survive the Closing Date for two (2) years thereafter; except that the representations and warranties made (a) in Sections 3(a), 3(b), 3(c), 3(d), 3(f), 3(g), 4(a), 4(b), 4(e), 5(a) and 5(b) shall survive the Closing Date indefinitely, and (b) in Section 3(k) and 3(l) shall survive the Closing Date until the expiration of all applicable statutes of limitation. The covenants and agreements of the parties contained in this Agreement shall survive until they have been fully satisfied or otherwise discharged.

iii. Release.

1. Effective from and after the Effective Time, each Stockholder, on behalf of such Stockholder and his or her Affiliates (other than the Company), Representatives, successors, heirs, spouses, assigns and all other Persons claiming by, through, for or under the Stockholders, or on behalf of the Stockholders (such other Persons collectively, the "**Stockholder Related Parties**" and together with the Stockholders, the "**Releasing Parties**"), hereby irrevocably and unconditionally releases, cancels, discharges and acknowledges to be fully and finally satisfied any and all claims, demands, actions or causes of action for payment or performance of any debt, account, covenant, contract, promise, loss reimbursement, compensation, Liability or expense, including attorney's fees, of any and every kind, nature or description

whatsoever, at law or in equity (collectively, a "**Releasable Claim**") that such Releasing Party may have had or may now have or assert against the Company or any of its present and former Representatives, Affiliates, predecessors, successors and assigns (collectively, the "**Released Parties**"), that are on account of any matter whatsoever (including any employment or service to the Company and compensation related thereto) arising prior to the Effective Time or attributable to such period (whether such Releasable Claims are known or unknown, knowable or unknowable, suspected or unsuspected) (all Releasable Claims released in this Section 9(iii)) are referred to as the "**Released Claims**"). Without limiting the generality of the foregoing, Released Claims shall include any and all Releasable Claims arising out of or relating to (i) any issuances, redemptions or repurchases by the Company, or any of its current or former Affiliates of any securities, (ii) any sales, pledges, hypothecations or other transfers of Stock or other securities of the Company, or any of its current or former Affiliates by the Stockholders to any Person and (iii) any violations of the Certificate of Incorporation, the Bylaws or any other organizational documents of the Company or any of its current or former Subsidiaries or Affiliates. TO THE FULLEST EXTENT PERMITTED BY REGULATIONS, EACH STOCKHOLDER WAIVES THE BENEFIT OF ANY PROVISION OF REGULATIONS TO THE EFFECT THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE RELEASING PARTY DID NOT KNOW OR SUSPECT TO EXIST TO THE RELEASING PARTY'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE RELEASING PARTY MAY HAVE AFFECTED THE RELEASING PARTY'S SETTLEMENT WITH THE RELEASED PARTY.

26

2. Notwithstanding the foregoing, nothing contained in Section 9(iii) will be deemed to waive, release, alter or otherwise impair any rights or claims of the Stockholders arising under this Agreement or Ancillary Document to which the Stockholders are party.

3. Each Stockholder agrees that no Releasing Parties, nor anyone claiming by, through, for or under them or on their behalf will bring, file, institute, prosecute, maintain, participate in, or recover upon, either directly or indirectly, or encourage or benefit from the institution of, any Proceeding against any Released Party, in or before any Governmental Authority, arbitrator or mediator for or relating to any of the Released Claims. Each Stockholder represents that neither he, nor any other Releasing Party, has filed or caused to be filed any Releasable Claim of any kind against any Released Party, which is now pending with any Governmental Authority or mediator. Each Stockholder further represents that he has not transferred or assigned any Releasable Claims or Released Claims to any Person.

10. NONCOMPETITIVE COVENANTS: To obtain the benefits of the transactions contemplated by this Agreement and in order to induce the Buyer to enter into this Agreement, each of the Stockholders covenants and agrees as follows:

i. For a period of five (5) years after Closing, each Stockholder shall not engage, either directly or indirectly, in any manner or capacity, as principal, agent, partner, officer, director, investor, sponsor, shareholder of the shares of any corporation, lender or otherwise, own, manage, operate, control, participate in or be connected in any manner with the ownership, management, operation, financial banking or control of any business involving practices and activities similar to or competitive with the Company Business, anywhere within a radius of five hundred (500) miles from the Company's principal place of business.

ii. For a period of five (5) years after Closing, each Stockholder shall not alone, or in any capacity with another, directly or indirectly, canvas, solicit, service, accept business from, do business with, or in any way interfere or attempt to interfere with any customer or prospective customer of the Company Business who was a customer or prospective customer on the date of Closing or at any time within two (2) years prior to that date. In addition, each Stockholder will not, for a period of five (5) years after Closing, encourage or entice any employee of the Company Business to accept employment from, or serve in a similar capacity with, any other company or other concern which is competitive with the Business.

iii. In the event that a Stockholder violates any of the restrictions set forth in this Section 11, the Buyer shall be entitled to pursue any remedies available under applicable laws in force at the time of such violation, including but not limited to, an accounting and payment over to Buyer of all profits which the violating party has realized as a result of any such violation, injunctive relief, damages for loss of business or clientele, attorneys' fees and reimbursement of the costs incurred by Buyer as the result of the institution of legal proceedings against the violating party.

27

11. OTHER IMPORTANT PROVISIONS:

i. Specific Performance. The Company and the Stockholders agree and acknowledge that, due to the unique nature of the Stock, and the subject matter of this Agreement, Buyer will be irreparably damaged in the event of a breach of this Agreement by the Company or the Stockholders, which damage cannot be adequately compensated or remedied except by specific performance of this Agreement. In the event that the Company or the Stockholders fail or refuse to perform, or are otherwise in default of their obligations hereunder or under any related agreement, it is agreed that Buyer shall have, in addition to any other remedy available to Buyer, the right to obtain temporary and permanent performance of such obligation or injunctive relief, as may be applicable, without any showing of any actual damage or inadequacy of legal remedy.

ii. Expenses. Each of the Parties hereto shall pay its own legal, accounting and other fees and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and the consummation of the transactions contemplated hereby and any other costs and expenses incurred by such party, except as otherwise expressly set forth herein.

iii. Notices. All notices, requests, permissions, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) five (5) business days following sending by registered or certified mail, postage prepaid, (b) when sent, if sent by facsimile, provided that the facsimile transmission is promptly confirmed by telephone, (c) when delivered, if delivered personally to the intended recipient, and (d) one (1) business day following sending by overnight delivery via a national courier service and, in each case, addressed to a party at the following address for such party:

To Buyer:

DarkPulse, Inc.
c/o: Dennis O'Leary, CEO
1345 Ave of the Americas 2nd Floor
New York, NY 10105

With copy to (which shall not constitute notice):

Business Legal Advisors, LLC
c/o: Brian Higley, Esq.
14888 Auburn Sky Drive
Draper, UT 84020

To Company:

TJM West Electronics, Inc.
c/o: Thomas McCarthy, President
2579 Finley Ave Bristol, PA 19020

To Stockholders:

Thomas McCarthy
2579 Finley Ave Bensalem, PA 19020

Donna McCarthy
John McCarthy
Thomas McCarthy
Frank Baisden

With copy to (which shall not constitute notice):

Gregory Rice 463 Eaton Rd
Drexel Hill, PA 19026

- iv. Waiver. Any provision of this Agreement may be waived only in a writing, which waiver may be signed only by the party granting such waiver. No course of dealing between the Parties shall be effective to amend or waive any provision of this Agreement.
- v. Amendments and Modifications. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.
- vi. Entire Agreement. This Agreement, the exhibits and schedules hereto constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.
- vii. Assignment. This Agreement may not be assigned by any Party hereto without the written consent of the other Parties; provided, however, that Buyer may assign its rights and obligations under this Agreement without the consent of the other Parties to one (1) or more Affiliates of Buyer so long as Buyer also remains liable for Buyer's obligations under this Agreement.
- viii. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of the Parties hereto their successors and permitted assigns, and, except as contemplated by this Section, nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.
- ix. Interpretation. In the event of 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 provisions of this Agreement.
- x. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the parties shall negotiate in good faith with a view to the substitution therefor of a suitable and equitable solution in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid provision; provided, however, that the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.
- xi. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any applicable principles of conflicts of laws.

- xii. Submission to Jurisdiction. Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in the City of New York and County of New York, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.
- xiii. Attorney Fees. In the event of any dispute between the parties concerning the terms and provisions of this Agreement, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.
- xiv. Counterpart Execution. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- xv. Further Assurances. After the Closing Date, the Stockholders, at the request and expense of Buyer, shall execute, acknowledge and deliver to Buyer without further consideration, all such further assignments, conveyances, endorsements, consents and other documents as Buyer may reasonably request (a) to transfer to and vest in Buyer and protect its right, title and interest in, all of the Stock and the assets used in the Company Business, (b) obtain any consent required to an assignment of a Contract or Permit, and (c) otherwise to consummate the transactions contemplated by this Agreement.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

BUYER:

DARKPULSE, INC.

By: /s/ Dennis O’Leary, CEO
Dennis O’Leary, CEO

TJMELECTRONICS WEST, INC.

By: /s/ Thomas McCarthy
Thomas McCarthy, President

STOCKHOLDERS:

/s/ Thomas McCarthy
Thomas McCarthy

/s/ John McCarthy
John McCarthy

/s/ Donna McCarthy
Donna McCarthy

/s/ Frank Baisden
Frank Baisden

Schedule 3(f)(i)

Capitalization

Stockholders of record: Thomas McCarthy (58 shares), John McCarthy (30 shares), Donna McCarthy (15 shares), Frank Baisden (10 shares)

Research Agreement

This Research Agreement (the “Agreement”) is between DarkPulse, Inc. (“Sponsor”), with offices located at 1345 Avenue of the Americas, 2nd Floor, New York, NY 10118, and the Arizona Board of Regents on behalf of the University of Arizona, an Arizona body corporate (“University”), with offices located at University Services Building Room 510, 888 N. Euclid Ave., Tucson, Arizona 85721-0158.

The parties hereby agree as follows:

1. **Scope of Work and Payment**

- 1.1 Research Project. The University will use reasonable efforts to perform the research project as described on and in accordance with Exhibit A (the “Research Project”), in consideration for Sponsor making the payments as described on and in accordance with Exhibit B (the “Costs of Research”). Unless otherwise set forth on Exhibit B, payments will be due within thirty (30) days of the date of the University’s invoice. The Research Project will be supervised by Dr. Moe Momayez, employed by University (the “Principal Investigator”).
- 1.2 Reports. A final report setting forth the accomplishments and significant research findings will be prepared by the University and submitted to the Sponsor within sixty (60) days after the expiration of this Agreement.
- 1.3 Non-Exclusivity of Research. Both parties acknowledge and agree that each party may engage in other research that is similar to the Research Project, funded by public or private sources and conducted separately, and the other party has no rights or obligations with respect to such separate research.
- 1.4 Equipment and Supplies. Equipment and supplies purchased specifically to conduct the Research Project belong to University at the termination of this Agreement.

2. **Term and Termination**

- 2.1 Term. This Agreement begins on September 21, 2021 (“Effective Date”) and will expire on September 30, 2023, (the “Term”), unless sooner terminated in accordance with the provisions of this Section 2.
- 2.2 Termination for Convenience. Either party may terminate this Agreement at any time upon ninety (90) days written notice to the other party.
- 2.3 Termination for Breach. Either party may terminate this Agreement in the event the other party commits a Material Breach of any of the terms or conditions of this Agreement and fails to remedy such breach within thirty (30) days after receipt of written notice. For purposes of this Agreement, “Material Breach” means a breach by either party of any of its obligations under this Agreement which has or is likely to have a Material Adverse Effect on the Research Project, which such party shall have failed to cure. For purposes of this Agreement, “Material Adverse Effect” means a material adverse effect on (a) the ability of either party to exercise any of its rights or perform/discharge any of its duties/obligations under and in accordance with the provisions of this Agreement and/or (b) the legality, validity, binding nature or enforceability of this Agreement. The right to terminate for Material Breach is in addition to any other remedies which a party may have at law or in equity.

1

- 2.4 Effect of Termination. Upon any expiration or termination of this Agreement, University will work to close-down the Research Project, including termination of any obligations in force (except those that are non-cancelable), and will notify Sponsor of those obligations remaining as of the date of termination. Sponsor will pay University all Costs of Research incurred by University up to the date of termination, unless the Agreement has been terminated by Sponsor due to University’s Material Breach, in such case the University will reimburse Sponsor all unspent funds up to and including the date of termination allotted to date to University by Sponsor. Further, if Sponsor terminates for its convenience or if University terminates for Sponsor’s Material Breach, Sponsor will reimburse University for all costs associated with termination. Termination or expiration of this Agreement will not affect the rights and obligations of the parties that have accrued prior to the termination date, including non-cancellable commitments, and specifically the obligations set forth in Sections headed “Confidentiality Obligations,” “Indemnification and Limitation of Liability,” and “General Provisions” will survive termination or expiration. If Sponsor terminates this Agreement prior to completion of the Research Project (unless for Material Breach by University) or if University terminates for Material Breach by Sponsor, the Intellectual Property rights set forth in the Section headed Intellectual Property will terminate; otherwise, these rights will survive expiration of the Agreement.

3. **Research Results**

Sponsor and University agree that, in exchange for paying the Costs of Research, Sponsor may use the results of the research (“Research Results”) for any purpose but may not publish Research Results prior to Principal Investigator’s publication of Research Results. The University retains ownership of the Research Results, and the right to publish as set forth in Section 5. Any Research Result that also constitutes Intellectual Property as set forth Section 4.1 below is considered Intellectual Property and is subject to the terms set forth in Section 4 below.

4. **Intellectual Property**

- 4.1 Ownership of Intellectual Property. The parties acknowledge that inventions, discoveries, and other technology that is patentable, or that is copyrightable software (“Intellectual Property”) may also arise from the Research Project. Inventorship and authorship will be determined in accordance with United States intellectual property laws. All Intellectual Property arising from University’s performance of the Research Project will be disclosed by University to University’s tech transfer organization, Tech Launch Arizona, who will promptly provide Sponsor with a confidential written disclosure of the Intellectual Property. University owns all Intellectual Property invented or authored by University personnel under the Research Project (“University Intellectual Property”). The parties will jointly own all Intellectual Property invented or authored jointly by University personnel and Sponsor personnel under the Research Project (“Joint Intellectual Property”). This Agreement does not grant either party any rights to any Intellectual Property developed outside the scope of the Research Project.
- 4.2 Exclusive License to University Intellectual Property. Subject to Sponsor’s payment of the Cost of Research as set forth in Section 1.1, the payment of patent expenses as set forth in Section 4.3, and an additional exclusivity premium in the amount of \$25,000.00, University grants to Sponsor an exclusive royalty-free, license to make, have made, import, use, market, offer for sale, sell, reproduce, distribute, prepare derivative works, publicly perform and publicly display the University Intellectual Property. Sponsor will pay the exclusivity premium within thirty (30) days of the Effective Date of this Agreement. Sponsor will have the right to grant sublicenses to the University Intellectual Property, but without a right for the sublicensee to further sublicense. Sponsor will use its best efforts to diligently commercialize the University Intellectual Property. Upon the conclusion of the Research Project, both parties agree to execute the Intellectual Property Confirmation as set forth on Exhibit C.

2

- 4.3 Patent Prosecution. Effective as of the Date that the Intellectual Property Confirmation is signed by both Parties, University delegates to Sponsor the right to initiate and control the filing and prosecution of patent applications or other protective measures concerning the University Intellectual Property, at its sole expense. Sponsor will prosecute the patent as diligently and fully as if Sponsor were the owner, but in no event less than what is commercially reasonable. University will choose patent counsel and will be and remain the client of such patent counsel, but will consider Sponsor's input in good faith, and Sponsor is free to hire its own additional counsel if it so chooses. Sponsor will, and will instruct patent counsel to, send the University all copies of patent correspondence with the USPTO and foreign patent authorities, and all other significant occurrences within the patent prosecution process, at the same time that Sponsor sends or receives them. University will cooperate with Sponsor during the patent prosecution process. If Sponsor elects to abandon prosecution or maintenance of a particular patent application in a particular country, upon thirty (30) days' written notice to the Sponsor, University is free to file or continue prosecution or maintain any such application(s), and to maintain any protection issuing thereon in the U.S. and in any foreign country at University's sole discretion and expense and all of Sponsor's rights in the applicable patents or patent applications will terminate. In connection with the filing and prosecution of patent applications for the University Intellectual Property, the Parties agree that the patent prosecution process raises issues of common legal interest because both Parties desire to achieve, and would benefit from, valid and enforceable patent protection for the University Intellectual Property. Therefore, the Parties agree that they may exchange and share information and materials, with each other and with the patent counsel, during the patent prosecution process without waiving any privilege or immunity by reason of such disclosure. The Parties intend that all communications made in connection with the patent prosecution process will be privileged, and will be protected from discovery by a common interest privilege to the fullest extent permitted by law. Information shared as part of the prosecution effort will be held in confidence by the Parties and will be disclosed only to the Parties, their attorneys, and their employees who are engaged or involved in the patent prosecution process.
- 4.4 Reservation of Right to Use for Educational Purposes. Without limiting any other rights it may have and even if Sponsor exercises its option as set forth in Section 4.3 above, the University specifically reserves the right in and to the University Intellectual Property and Joint Intellectual Property for any internal research, public service, and/or educational purpose. With prior written notification to Sponsor, University may grant licenses to other academic institutions use of the University Intellectual Property and Joint Intellectual Property for these same reserved rights. All intellectual property rights not expressly granted in this Agreement are hereby reserved.

5. Publication

Notwithstanding anything to the contrary in this Agreement, the University and its employees have the right, at their discretion, to release information or to publish any data, writings, or material resulting from the Research Project, including Research Results and Intellectual Property, and to use it in any way for its educational and research purposes. The University will furnish the Sponsor with a copy of any proposed publication in advance of the proposed publication date and grant the Sponsor thirty (30) days for review and comment. Within this period, the Sponsor may request the University, in writing, to delay such publication for a maximum of an additional sixty (60) days in order to protect the potential patentability of any invention described therein. Such delay will not, however, be imposed on the filing of any student thesis or dissertation. Sponsor's failure to object to a publication or presentation within the initial thirty (30) day review and comment period above will be deemed acceptance by Sponsor.

6. Confidentiality Obligations

- 6.1 Confidential Information. Sponsor and University may choose, from time to time, in connection with the Research Project, to disclose confidential information to each other ("Confidential Information"). All such disclosures must be in writing and marked as Confidential Information. Any information that is transmitted orally or visually, in order to be protected hereunder, will be identified as such by the disclosing party at the time of disclosure, and identified in writing to the receiving party, as Confidential Information, within thirty (30) days after such oral or visual disclosure.
- 6.2 Use and Disclosure. The parties will use reasonable efforts to prevent the disclosure to unauthorized third parties of any Confidential Information of the other party and will use such information only for the purposes of this Agreement. Confidentiality obligations with respect to Confidential Information will survive for three (3) years after the termination of this Agreement.
- 6.3 Exceptions. Notwithstanding any marking or designation to the contrary, the confidentiality obligations set forth herein will not apply to information that: (a) is already in the receiving party's possession at the time of disclosure; (b) is or later becomes part of the public domain through no fault of the receiving party; (c) is received from a third party with no duty of confidentiality to the disclosing party; (d) was developed independently by the receiving party prior to disclosure; or (e) is required to be disclosed by law or regulation.

7. Public Statements; Use of Names and Logos

- 7.1 No Use of Names or Logos. Except as required by law, neither party is permitted to use the names, logos, or other identifiers associated with the other party without such party's express prior written consent in each instance.
- 7.2 Press Releases. Except as required by law, neither party will issue any press release or other public statements in connection with this Agreement or the Research Project without the other party's prior written consent. Each party agrees to provide the other fifteen (15) days' notice of the intent to issue such press release or public statement for the other party's consent, such consent shall not be unreasonably withheld. University will acknowledge Sponsor's support of the Research Project in scientific publications and communications. All statements by the parties will accurately describe the scope and nature of their participation. University may, without prior consent from Sponsor, list Research Project title, amount awarded, Sponsor name, and Principal Investigator(s) names and department(s) affiliation(s) in its internal reports, which while not disseminated, are available to the public.

8. Indemnification and Limitation of Liability

- 8.1 Indemnification by Sponsor. Sponsor will indemnify, defend and hold harmless Principal Investigator and University, its governing board, officers, agents, and employees, from any liability, loss or damage they may suffer as the result of claims, demands, costs or judgments against them arising out of either party's performance of the Research Project pursuant to this Agreement, and/or Sponsor's use of the University Intellectual Property, Joint Intellectual Property, Research Results, or other information or materials provided under this Agreement, provided, however, that any such liability, loss, or damage resulting from the following are excluded from this Agreement to indemnify and hold harmless: (a) University's failure to adhere to the terms of the Research Project protocol in all material respects; (b) University's failure to comply with any applicable government requirements; or (c) negligence or willful misconduct by the Principal Investigator, University, or

its board, officers, agents, or employees as determined by a court of law. Principal Investigator and University agree to notify Sponsor as soon as they become aware of any such claim or action, and to cooperate with and to authorize Sponsor to carry out the sole management and defense of such claim or action. Sponsor will not compromise or settle any claim or action without the prior written approval of each of the following if they are a named party: Principal Investigator, University, its governing board, officers, agents, or employees.

- 8.2 Disclaimer of Warranties and Limitation of Liability. SPONSOR ACKNOWLEDGES THAT THE WORK SET FORTH IN THE RESEARCH PROJECT IS EXPERIMENTAL IN NATURE AND THAT UNIVERSITY MAKES NO WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, REGARDING THE RESEARCH PROJECT, RESEARCH RESULTS, THE UNIVERSITY INTELLECTUAL PROPERTY, JOINT INTELLECTUAL PROPERTY, OR OTHER RESULTS.

9. General Provisions

- 9.1 Applicable Law and Venue. This Agreement will be interpreted pursuant to the laws of the State of Arizona, where the Research Project is performed. Any arbitration or litigation between the parties will be conducted in Pima County, Arizona, and Sponsor hereby submits to venue and jurisdiction in Pima County, Arizona. This Agreement may be subject to mandatory non-binding arbitration in accordance with applicable law.
- 9.2 Attorneys' Fees. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled, if so ordered by a court of competent jurisdiction, to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.
- 9.3 Non-Discrimination. The parties agree to be bound by state and federal laws and regulations governing equal opportunity and non-discrimination and immigration.
- 9.4 Conflict of Interest. This Agreement is subject to the provisions of A.R.S. 38-511. Within three (3) years from the Effective Date, the University may cancel this Agreement if any person significantly involved in negotiating, drafting, securing or obtaining this Agreement for or on behalf of the University becomes an employee in any capacity of Sponsor or a consultant to Sponsor with reference to the subject matter of this Agreement while the Agreement or any extension thereof is in effect.

- 9.5 Notices. Notices will be in writing and deemed effective when sent, postage prepaid to:

If to Sponsor:

DarkPulse Inc.
1345 Avenue of the Americas, 2nd Floor,
New York, NY 10118

If to University (Notices and Correspondence):

Director
Sponsored Projects Services
The University of Arizona
P.O. Box 210158
Tucson, Arizona 85721-0158

- 9.6 Entire Agreement; Modifications. This Agreement embodies the entire understanding of the parties and supersedes any other agreement or understanding between the parties relating to the subject matter hereof. There are no additional or supplemental agreements related to the subject matter hereof. No waiver, amendment or modification of this Agreement will be valid or binding unless written and signed by the parties. Waiver by either party of any breach or default of any clause of this Agreement by the other party will not operate as a waiver of any previous or future default or breach of the same or different clause of this Agreement.
- 9.7 Export Laws. The parties acknowledge that this Agreement is subject to compliance with applicable United States laws, regulations, or orders including those that may relate to the export of technical data and equipment, such as International Traffic in Arms Regulations ("ITAR") and/or Export Administration Act/Regulations ("EAR"), as may be amended, and agree to comply with all such laws, regulations or orders. It is the intent of the parties not to disclose any export-controlled information. However, if a party determines that export-controlled information must be disclosed, such party will provide the other party with written notice containing the nature of the export-controlled information prior to any exchange of export-controlled information. Sponsor is solely responsible for any violation of such laws and regulations involving Sponsor or its affiliates, and will defend, indemnify and hold harmless the University if any legal action of any nature results from any such violation.
- 9.8 Assignment. This Agreement may not be assigned or transferred (either directly or indirectly, by operation of law or otherwise, including by way of a merger, acquisition or other sale event) without the prior written consent of the other party, which consent will not be unreasonably withheld. This Agreement is binding upon and will inure to each party's respective permitted successors in interest.
- 9.9 Severability. If any provision of this Agreement is held void or unenforceable, the remaining provisions will nevertheless be effective, the intent being to effectuate this Agreement to the fullest extent possible.
- 9.10 Independent Contractors. The parties are deemed independent contractors and may not bind the other, except as provided for herein or authorized in writing by the other party.
- 9.11 Electronic Signatures. The parties agree that any xerographically or electronically reproduced copy of this fully executed agreement will have the same legal force and effect as any copy bearing original signatures of the parties.

Sponsor

**The Arizona Board of Regents
on behalf of The University of Arizona**

By: /s/ Dennis O'Leary

By: /s/ Christopher J. Bamhill

Name: Dennis O'Leary

Name: Christopher J. Bamhill

Title: CEO

Title: Contracts Manager - Industry

Date: 9/21/2021

Date: 9/21/21

EXHIBIT A

Research Project – Statement of Work

Smart Bolts – R&D Project

The overall objective of this research is to develop an instrumented rock bolt for monitoring the stability of underground openings. The expected outcomes will be:

1. The evaluation of rock mass deformation and movement in response to changing mining conditions.
2. The measurement of localized stress and strain along the length of a rock bolt.
3. The evaluation of spatial resolution and (economic) feasibility of using instrumented rock bolts.

This will help to identify and monitor the associated hazards, especially those that result in fatal or catastrophic ground falls in mines. The resulting Smart Bolt technology will also have use in other areas of mining practice, including stress measurement and microseismic monitoring.

Research Objective

The objective of this research will revolve around developing monitoring techniques for reducing traumatic injuries and fatalities resulting from time-dependent physical and geologic degradation of ground openings and ground support as a result of changing mining conditions.

Using the Brillouin strain sensing technique, evaluate the potential for monitoring the deformation/stresses acting on a rock mass along the length of a rock bolt with a resolution of less than 10 cm. Tasks include investigation of system sensitivity, precision and accuracy.

Goals of Research Objective

- Investigation of the most effective way to deploy the fiber optic sensor.
- Develop data acquisition and analysis methodologies for detection of deformation and stresses in the rock mass using different bolts (solid, hollow, and stranded).
- Develop data acquisition and analysis methodologies for evaluating the condition of bonding (grouted bolts)
- Explore other tests (e.g. pullout) as required
- Investigate the potential for using the smart bolt sensors to monitor dynamic changes in the rock mass such as vibration caused by drilling and blasting activities.

Benefits and Deliverables

Benefits

The provision of this experimental investigation will provide:

1. Potential for improved quasi real-time ground support system integrity control: assessment of rock mass behavior and alteration areas.
2. Measurement of deformation and stresses in a rock mass.
3. Increased safety for underground mine workers.

Deliverables

1. Methodologies (software tools) for quantifying time-dependent performance of ground support systems.
2. Methodologies (software tools) for determining ground movement and stresses acting on the rock bolts as a result of changes in mining activity.

Resources and Timeframe

Resources

DarkPulse's manufacturing facility in Tempe, Arizona will be used to manufacture the BOTDR and instrumented rock bolts. Facilities at the University of Arizona's San Xavier Underground Mining Laboratory will be used to test the Smart Bolt technology and develop the data analysis (and associated software) for determining the deformation and stresses in the rock mass. Time-dependent and other tests will be performed at the University of Arizona's San Xavier Underground Mining Laboratory.

Timeframe

Research activities will begin in second quarter (Q2) of 2021 and run through the next 24 months until the end of Q1 2023.

Reporting

Formal progress reports will be provided at the end of each quarter.

EXHIBIT B

Costs of Research

This Research Project is conducted on a fixed price basis. Checks should be made payable only to “The University of Arizona,” and should identify this Agreement or a University invoice. Checks should not be made payable to or identify individuals.

The proposed budget of \$121,253 includes partial funding for one graduate student working on one of the projects for a period of two years. Other items in the budget are the access fees for using the San Xavier facility and includes the installation of bolts and travel to the mine and one conference a year.

Payment Schedule: \$ 30,313.25 (25%) upon execution of the Agreement. \$25,000 thirty (30) days after execution (exclusive IP license premium), ~\$11,367.47 quarterly for the remainder of the project until paid in full.

Payments should be sent to:

The University of Arizona
Sponsored Projects Services
PO Box 41867
Tucson, AZ 85717

CERTIFICATIONS

I, Dennis O'Leary, certify that:

1. I have reviewed this Form 10-Q quarterly report of DarkPulse, Inc. for the quarter ended September 30, 2021;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

/s/ Dennis O'Leary

Dennis O'Leary, Chief Executive Officer
(Principal Executive & Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of DarkPulse, Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2021, as filed with the Securities and Exchange Commission (the “Report”), the undersigned principal executive and principal financial officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 15, 2021

/s/ Dennis O’Leary

Dennis O’Leary, Chief Executive Officer
(Principal Executive & Financial Officer)