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

# FORM 8-K

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 1, 2017**

# CLOUDCOMMERCE, INC.
(Exact name of registrant as specified in its charter)

| **Nevada** | **000-13215** | **30-0050402** |
|---|---|---|
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | IRS Employer Identification No.) |

| **1933 Cliff Drive, Suite 1 Santa Barbara, CA** | **93109** |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

**(805) 964-3313**
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging Growth Company ☐

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

**Item 1.01 Entry Into a Material Definitive Agreement.**

Agreement and Plan of Merger with Parscale Creative, Inc. and Parscale Digital, Inc.

On August 1, 2017, CloudCommerce, Inc., a Nevada corporation (the "**Company**"), entered into an Agreement and Plan of Merger (the "**Plan of Merger**") with Parscale Creative, Inc., a Nevada corporation ("**Parscale**"), Bradley Parscale (the "**Parscale Shareholder**"), and Parscale Digital, Inc., a newly formed Nevada corporation and wholly owned subsidiary of the Company ("**Merger Sub**") pursuant to which Parscale merged with and into Merger Sub (the "**Merger**"). Pursuant to the terms of the Plan of Merger, the Parscale Shareholder received ninety thousand (90,000) shares (the "**Stock Consideration**") of the Company's newly designated Series D Convertible Preferred Stock (the "**Series D Preferred Stock**"), with a stated value of $100 per share, in exchange for the cancellation of his stockholding in Parscale. The Articles of Merger were filed with the Secretary of State of the State of Nevada on August 1, 2017 (the "**Effective Time**") and at that time, the separate legal existence of Parscale ceased, and Merger Sub became the surviving company in the Merger and shall continue its corporate existence under the laws of the State of Nevada under the name "Parscale Digital, Inc."

At the Effective Time of the Merger, automatically by virtue of the Merger, each share of Parscale that was issued and outstanding immediately prior to the Effective Time was converted, on a prorata basis, into validly issued, fully paid and nonassessable shares of Series D Preferred Stock representing their pro rata interest in Parscale and the Stock Consideration.

Pursuant to the Plan of Merger, the Parscale Shareholder has agreed to a covenant not to compete subject to the terms and conditions in the Plan of Merger for a period of three (3) years following the Effective Time (the "**Non-Competition Period**"). The Parscale Shareholder further agreed that during the Non-Competition Period, he will not directly or indirectly solicit or agree to service for his benefit or the benefit of any third-party, any of Parscale's, the Company's, or Merger Sub's customers. Notwithstanding anything to the contrary in the Plan of Merger, the Parscale Shareholder may compete with the Company if the work contracted by the Parscale Shareholder is subsequently sub-contracted at a market rate to the Company or a subsidiary company owned by the Company.

Pursuant to the Plan of Merger, during the period beginning on the Effective Time and ending on the twenty four (24) month anniversary thereof, the Parscale Shareholder will not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell, or otherwise transfer or dispose of, any portion of the Stock Consideration, or any shares of the Company's common stock underlying the Stock Consideration (collectively the "**Lock-Up Securities**"), beneficially owned, within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, by such holder on the Effective Date, or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any portion of the Lock-Up Securities.

Each of the parties to the Plan of Merger have made customary representations and warranties in the Plan of Merger.

*Certificate of Designations of Series D Preferred Stock*

As set forth above, the Company issued 90,000 shares of Series D Preferred Stock to the Parscale Shareholder. The holder(s) of the Series D Preferred Stock will have a priority over all of the shares of Common Stock on liquidation or sale of the Company (but are subject to the liquidation rights of the Company's outstanding Series A, B and C Preferred Stock), at an amount equal to the stated value for each such share of the Series D Preferred Stock (as adjusted for any combinations, consolidations, stock distributions or stock dividends with respect to such shares), plus all dividends, if any, declared and unpaid thereon as of the date of such distribution. Subject to the dividend rights of the Company's outstanding shares of Series A, B and C Preferred Stock, each share of outstanding Series D Preferred Stock shall be entitled to receive a dividend, paid quarterly, out of any assets of the Company legally available therefore, at the amount equal to: (1/90,000) x (5% of the Adjusted Gross Revenue) of Merger Sub. "Adjusted Gross Revenue" shall mean the top line gross revenue of Merger Sub, as calculated under GAAP (generally accepted accounting principles) less any reselling revenue attributed to third party advertising products or service, such as, but not limited to, search engine keyword campaign fees, social media campaign fees, radio or television advertising fees, and the like.

Except as otherwise required by law, the holders of Series D Preferred Stock shall have no voting rights. Each share of Series D Preferred Stock is convertible into two thousand five hundred (2,500) shares of the Company's fully paid and nonassessable shares of Common Stock, as adjusted. The Series D Preferred Stock shall contain the respective rights, privileges and designations as are set forth in the Certificate of Designations, Preferences, Rights and Limitations of Series D Preferred Stock appended hereto as Exhibit 3.1.

The foregoing description of the Plan of Merger does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan of Merger and any Exhibits thereto, which is attached as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference. The Plan of Merger has been included to provide investors and shareholders with information regarding its terms. It is not intended to provide any other factual information about the Company, Parscale, the Parscale Shareholder or Merger Sub. The Plan of Merger contains representations and warranties that the parties to the Plan of Merger made to and solely for the benefit of each other, and the assertions embodied in such representations and warranties are qualified by information contained in confidential disclosure schedules that the parties exchanged in connection with signing the Plan of Merger. Accordingly, investors and shareholders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances, since they were only made as of the date of the Plan of Merger (or such other date as specified therein) and are modified in important part by the underlying disclosure schedules.

Purchase Agreement with Parscale Media, LLC

On August 1, 2017, the Company entered into a Purchase Agreement (the "**Purchase Agreement**") with Parscale Media, LLC, a Texas limited liability company ("**Parscale Media**") and Bradley Parscale (the "**Seller**"), pursuant to which the Company purchased 100% of the issued and outstanding Parscale Media membership interests (the "**Membership Interest**") in exchange for one million ($1,000,000) dollars (the "**Purchase**"). The sale shall become effective upon the transfer of 100% of the Membership Interest of Parscale (the "**Effective Time**").

Consummation of the Purchase (the "**Closing**") is subject to a number of closing conditions, including, among other things: (i) the Seller has delivered an updated list of assets and liabilities that is accurate and complete as of not more than five (5) business days prior to the Closing; (ii) the Company shall have received a report from the Secretary of State for Texas showing the existence or absence of liens, financing statements and other encumbrances recorded against any of the Assets (as defined in the Purchase Agreement), dated not more than five (5) days prior to the Closing; and (iii) all parties shall have performed and complied with all agreements, covenants and conditions required by the Purchase Agreement to be performed or complied with by them prior to or at the Closing.

Each of the parties to the Purchase Agreement have made customary representations and warranties in the Purchase Agreement and have covenanted, among other things, subject to certain customary exceptions: (i) the absence of litigation pending or threatened against or with respect to Parscale Media that seeks to prohibit the actions required to be taken under the Purchase Agreement and certain other matters; (ii) the absence of a material adverse effect on the business, condition, assets, operations or prospects of Parscale Media; (iii) immediately prior to the Closing, Parscale Media's Working Capital, as defined in the Purchase Agreement, shall be not less twenty five thousand ($25,000) dollars, or specifically, there shall not be less than five thousand ($5,000) dollars of cash or cash equivalent in Parscale Media's Working Capital; (iv) the execution, delivery and performance of the Purchase Agreement by the Company will not violate, conflict with, require consent under or result in any breach or default under any of the Company's organizational documents, any applicable law or with or without notice or lapse of time or both, the provisions of any material contract or agreement to which the Company is a party, or to which any of its material assets are bound; and (v) the accuracy of the representations and warranties of the parties, subject to customary materiality qualifiers.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement and any Exhibits thereto, which is attached as Exhibit 2.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Exchange Agreement with Bountiful Capital, LLC

On July 31, 2017, the Company entered into an exchange agreement (the "**Exchange Agreement**") with Bountiful Capital, LLC, a Nevada limited liability company ("**Bountiful Capital**"), pursuant to which Bountiful Capital has agreed to cancel certain promissory notes (the "**Note**"), and waive any unpaid interest thereunder, including the outstanding principal in the amount of $1,442,500, in exchange for the issuance by the Company of 14,425 shares of the Company's Series C Preferred Stock (the "**Series C Preferred Stock**") to Bountiful Capital (the "**Exchange**"). Pursuant to the terms of the Exchange Agreement, Bountiful Capital agreed that upon delivery of the Series C Preferred Stock to Bountiful Capital, the Notes shall be deemed fully paid and satisfied, null and void and no interest, fees or principal shall be due thereon. Bountiful Capital also agreed to indemnify and hold harmless the Company and its affiliates against all liability, costs, damages, claims or expenses which may be incurred by any of them as a result of any claim to ownership of any lost Notes asserted by Bountiful Capital or by anyone other than Bountiful Capital.

The Company's Chief Financial Officer, Greg Boden, is also the president of Bountiful Capital, LLC.

*Certificate of Designations of Series C Preferred Stock*

Pursuant to the Exchange Agreement, the Company issued 14,425 shares of newly designated Series C Preferred Stock to Bountiful Capital. The holder(s) of the Series C Preferred Stock will have a priority over all of the shares of Common Stock on liquidation or sale of the Company (but are subject to the liquidation rights of the Company's outstanding Series A and B Preferred Stock), at an amount equal to One Hundred ($100) dollars for each such share of the Series C Preferred Stock (as adjusted for any combinations, consolidations, stock distributions or stock dividends with respect to such shares), plus all dividends, if any, declared and unpaid thereon as of the date of such distribution. Subject to the dividend rights of the Company's outstanding shares of Series A and B Preferred Stock, the holders of outstanding shares of the Series C Preferred Stock (the "Holders") shall be entitled to receive dividends pari passu with the holders of Common Stock, except upon a liquidation, dissolution and winding up of the Corporation. Such dividends shall be paid equally to all outstanding shares of Series C Preferred Stock and Common Stock, on an as-if-converted basis with respect to the Series C Preferred Stock. The right to such dividend on the Series C Preferred Stock shall be cumulative.

Except as otherwise required by law, the Holders of Series C Preferred Stock shall have no voting rights. Each share of Series C Preferred Stock is convertible into such number of shares of the Company's fully paid and nonassessable shares of Common Stock receivable equal to $100 per share of the Series C Preferred Stock divided by $0.01, or the "Conversion Price". The Series C Preferred Stock shall contain the respective rights, privileges and designations as are set forth in the Certificate of Designation of CloudCommerce, Inc., of the Series C Preferred Stock appended hereto as Exhibit 3.2.

The foregoing description of the Exchange Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Exchange Agreement and any Exhibits thereto, which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Management Services Agreement with Parscale Creative, Inc.

On August 1, 2017, the Company entered into a management services agreement (the "**Parscale Creative Agreement**") with Parscale Creative, Inc., a Nevada corporation ("**Parscale Creative**"), pursuant to which Parscale Creative has agreed to engage the Company, and the Company agreed, upon the terms and subject to the conditions set forth in the Parscale Creative Agreement, to provide certain services to Parscale Creative in exchange for a monthly service fee in the amount of $5,000 for an initial term of six (6) months. Pursuant to the Parscale Creative Agreement, the Company and its affiliates, and each of the persons individually designated to perform services for Parscale Creative on behalf of the Company, shall perform such duties and functions as are customarily assigned to the position(s) to which such persons are assigned as well as such other duties and responsibilities, not inconsistent therewith, as may be assigned to him from time to time by Parscale Creative's Board of Directors. The Company and its affiliates shall provide Parscale Creative with day-to-day strategic and operational management and advisory services, as Parscale Creative's Board of Directors may reasonably request from time to time.

The foregoing description of the Parscale Creative Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Parscale Creative Agreement and any Exhibits thereto, which is attached as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Management Services Agreement with Parscale Media, LLC

On August 1, 2017, the Company entered into a management services agreement (the "**Parscale Media Agreement**") with Parscale Media, LLC, a Texas limited liability company ("**Parscale Media**"), pursuant to which Parscale Media has agreed to engage the Company, and the Company agreed, upon the terms and subject to the conditions set forth in the Parscale Media Agreement, to provide certain services to Parscale Media in exchange for a monthly service fee in the amount of $2,000 for an initial term of six (6) months. Pursuant to the Parscale Media Agreement, the Company and its affiliates, and each of the persons individually designated to perform services for Parscale Media on behalf of the Company, shall perform such duties and functions as are customarily assigned to the position(s) to which such persons are assigned as well as such other duties and responsibilities, not inconsistent therewith, as may be assigned to him from time to time by Parscale Media's Members. The Company and its affiliates shall provide Parscale Media with day-to-day strategic and operational management and advisory services, as Parscale Media's Members may reasonably request from time to time.

The foregoing description of the Parscale Media Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Parscale Media Agreement and any Exhibits thereto, which is attached as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.

The foregoing description of the Parscale Media Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Parscale Media Agreement and any Exhibits thereto, which is attached as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.

Advisory_Agreement with Jill Giles

On August 1, 2017, the Company entered into an advisory agreement (the "**Advisory Agreement**") with Jill Giles (the "**Advisor**"), pursuant to which the Company has agreed to engage the Advisor, and the Advisor agreed, upon the terms and subject to the conditions set forth in the Advisory Agreement, to provide certain advisory services to the Company in exchange non-qualified options to purchase ten million (10,000,000) shares of the Company's Common Stock at an exercise price of $0.01 per share. Such awarded options vest monthly for three (3) years and expire on August 1, 2022.

The foregoing description of the Advisory Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Advisory Agreement, which is attached hereto as Exhibit 10.4, to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information set forth in Item 1.01 is incorporated by reference herein.

On August 1, 2017, the Company issued an aggregate of 90,000 shares of Series D Preferred Stock pursuant to the terms of the Plan of Merger which is described in Item 1.01, which is incorporated by reference, in its entirety, into this Item 3.02. Issuance of the Series D Preferred Stock pursuant to the Plan of Merger was not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state. These securities were offered and issued in reliance upon the exemption from registration under the Securities Act, afforded by Section 4(a)(2).

On July 31, 2017, the Company issued an aggregate of 14,425 shares of Series C Preferred Stock pursuant to the terms of the Exchange Agreement which is described in Item 1.01, which is incorporated by reference, in its entirety, into this Item 3.02. Issuance of the Series C Preferred Stock pursuant to the Exchange Agreement was not registered under the Securities Act, or the securities laws of any state. These securities were offered and issued in reliance upon the exemption from registration under the Securities Act, afforded by Section 3(a)(9).

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

The information set forth in Item 1.01 is incorporated by reference herein.

Pursuant to the Plan of Merger, dated as of August 1, 2017, effective upon the Closing, Bradley Parscale shall be appointed as a director of the Company to serve on the Company's Board of Directors.

For the past 5 years, Mr. Parscale has served as President of Giles-Parscale, Inc., a privately held digital agency delivering holistic branding, design, and web development solutions based in San Antonio, Texas. Prior to serving as President of Giles-Parscale, Inc., Mr. Parscale was owner of Parscale Media, LLC, a web development and hosting firm. In 1999, Mr. Parscale received his Bachelor of Science in Business Finance, International Business and Economics from Trinity University in San Antonio, Texas.

On August 1, 2017, Bradley Parscale entered into a consulting agreement with Merger Sub pursuant to which Merger Sub has agreed to engage Mr. Parscale, and Mr. Parscale agreed, to (i) provide specialized consulting services to Merger Sub's clients and (ii) undertake speaking engagements and trade conference and seminar appearances, for a period of two (2) years. In consideration of such services to be rendered under the consulting agreement, Merger Sub shall pay Mr. Parscale a consultancy fee equal to ninety-five (95%) percent of all fees collected directly by Merger Sub for Mr. Parscale's performance of such services.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The information set forth in Item 1.01 is incorporated by reference herein.

Certificate of Designation of Series C Preferred Stock

On August 1, 2017, the Company filed the Certificate of Designation of CloudCommerce, Inc., of Series C Preferred Stock (the "**Series C Certificate of Designation**") with the Secretary of State of the State of Nevada, setting forth the terms of the Series C Preferred Stock. A copy of the Series C Certificate of Designation is appended as Exhibit 3.2 to this Current Report on Form 8-K and is incorporated herein by reference. The foregoing does not purport to be a complete description of the Series C Certificate of Designation and is qualified in its entirety by reference to the full text of the Series C Certificate of Designation.

Certificate of Designation of Series D Preferred Stock

On August 1, 2017, the Company filed the Certificate of Designations, Preferences, Rights and Limitations of Series D Preferred Stock (the "**Series D Certificate of Designation**") with the Secretary of State of the State of Nevada, setting forth the terms of the Series D Preferred Stock. A copy of the Series D Certificate of Designation is appended as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference. The foregoing does not purport to be a complete description of the Series D Certificate of Designation and is qualified in its entirety by reference to the full text of the Series D Certificate of Designation.

**Item 7.01. Regulation FD Disclosure.**

A copy of the press release issued by the Company on August 1, 2017 announcing the completion of the Merger and the Purchase are furnished as Exhibit 99.1 hereto.

The foregoing information in this Item 7.01 (including Exhibit 99.1 hereto) is being furnished under "Item 7.01 Regulation FD Disclosure." Such information (including Exhibit 99.1 hereto) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the " **Exchange Act**"), nor shall it be deemed incorporated by reference in any filing under the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(a) *Financial Statements of Businesses Acquired.*

The Company will file an amendment to this Current Report on Form 8-K containing the financial statements required by Item 9.01(a) not later than seventy-one calendar days after the date that this Current Report on Form 8-K was required to be filed.

(b) *Pro Forma Financial Information.*

The Company will file an amendment to this Current Report on Form 8-K containing the pro forma financial information required by Item 9.01(b) not later than seventy-one calendar days after the date that this Current Report on Form 8-K was required to be filed.

(d) Exhibits.

| | |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of August 1, 2017, by and among CloudCommerce, Inc., Parscale Creative, Inc., Bradley Parscale and Parscale Digital, Inc. |
| 2.2 | Purchase Agreement, dated August 1, 2017, by and among CloudCommerce, Inc., Parscale Media, LLC, and Bradley Parscale |
| 3.1 | Certificate of Designation of Series D Preferred Stock |
| 3.2 | Certificate of Designation of Series C Preferred Stock |
| 10.1 | Exchange Agreement, dated July 31, 2017, by and between CloudCommerce, Inc., and Bountiful Capital, LLC |
| 10.2 | Management Services Agreement, dated August 1, 2017, by and between CloudCommerce, Inc., and Parscale Creative, Inc. |
| 10.3 | Management Services Agreement, dated August 1, 2017, by and between CloudCommerce, Inc., and Parscale Media, LLC |
| 10.4 | Advisory Agreement, dated August 1, 2017, with Jill Giles |
| 99.1 | Press Release issued August 1, 2017 |

**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.

**CLOUDCOMMERCE, INC.**

Date: August 2, 2017

By: */s/ Andrew Van Noy*
Name: Andrew Van Noy
Title: Chief Executive Officer

**Exhibit 2.1**

**AGREEMENT AND PLAN OF MERGER**

This Agreement and Plan of Merger (the "Agreement") is made and entered into as of August 1, 2017 among Parscale Creative, Inc., a newly formed Nevada corporation, which has a mailing address at 321 6th St San Antonio, TX 78215 ("Parscale" or the "Seller"), Bradley Parscale ("Bradley Parscale" or "Parscale Shareholder"), CloudCommerce, Inc., a Nevada corporation (the "Buyer" or "Company"), and Parscale Digital, Inc., a newly formed Nevada corporation ("Merger Sub"). Each of Seller, Parscale Shareholder, Buyer, Company and Merger Sub are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

**R E C I T A LS**

WHEREAS, The Parscale Shareholder owns 100% of the common stock of Parscale;

WHEREAS, Parscale is engaged in the business of providing digital marketing services (the "Business");

WHEREAS, The Board of Directors of Parscale and the Board of Directors of the Merger Sub and Company have determined that an acquisition of Seller by the Buyer is advisable, fair to and in the best interests of their respective companies, members and stockholders and, accordingly, have each approved the merger of Parscale with and into Merger Sub (the "Merger") upon the terms and subject to the conditions set forth herein and in the Articles of Merger which will be filed with the Secretary of State of the State of Nevada ("Certificate of Merger"), attached hereto as Exhibit A;

WHEREAS, The Parties hereto intend that the reorganization contemplated by this Merger Agreement shall constitute a tax-free reorganization pursuant to Section 368(a)(1) of the Internal Revenue Code.

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Parties to this Agreement, and in light of the above recitals to this Agreement, the Parties to this Agreement hereby agree as follows:

**1. The Merger.**

**1.1 The Merger.** Subject to the terms and conditions of this Agreement and the Certificate of Merger, Parscale shall be merged with and into Merger sub in accordance with applicable provisions of Nevada law. At the Effective Time (as defined below), the separate legal existence of Parscale shall cease, and Merger Sub shall be the surviving company in the Merger (sometimes hereinafter referred to as the "Surviving Company") and shall continue its corporate existence under the laws of the State of Nevada under the name "Parscale Digital, Inc."

**1.2 Effective Time.** The Merger shall become effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Nevada in accordance with applicable law. The time at which the Merger shall become effective as aforesaid is referred to hereinafter as the "Effective Time."

**1.3 Merger Consideration**. The aggregate consideration to be paid by the Buyer to the Parscale Shareholder in exchange for and in cancellation of his stockholding in Parscale as a result of the Merger shall be nine million dollars ($9,000,000) paid in the form of ninety thousand (90,000) shares (the "Stock Consideration") of the Company's Series D Convertible Preferred Stock (the "Series D Preferred Stock"), with a stated value of $100 per share, which shall have the rights, preferences and privileges as set forth in a Certificate of Designation, in the form attached hereto as Exhibit B, to be filed with the Nevada Secretary of State on or prior to the Effective Time. Each one (1) share of Series D Preferred Stock is convertible is convertible into Two Thousand Five Hundred (2,500) shares of the Common Stock of the Buyer (the "Conversion Shares"). With respect to the public resale of the Common Stock, the Parscale Shareholder shall at all times be subject to the restrictions, conditions and requirements applicable to an affiliate of the Buyer, as described in Rule 144 of the Securities Act of 1933, as amended, even if the Parscale Shareholder or its assignees and successors are no longer affiliates of the Buyer.

**1.4 Conversion of Parscale Stockholdings**. At the Effective Time of the Merger, automatically by virtue of the Merger and without any action on the part of any Person, each share of Parscale that is issued and outstanding immediately prior to the Effective Time shall by virtue of the Merger shall be converted, on a prorata basis, into validly issued, fully paid and nonassessable shares of Series D Preferred Stock representing their prorata interest in Parscale and the Stock Consideration. Certificates representing the Stock Consideration shall be delivered to the Parscale Shareholder no later than ten days after the Effective Time of the Merger pursuant to the terms of this Agreement and upon surrender of certificates or other evidence of their ownership interest in Parscale.

**1.5 Certificate of Incorporation and By-laws; Officers and Directors.**

(a) At the Effective Time, by virtue of the Merger and without any action on the part of any Party, the Certificate of Incorporation of the Surviving Company shall be the Certificate of Incorporation of the Merger Sub immediately prior to the Effective Time.

(b) At the Effective Time, by virtue of the Merger and without any action on the part of any Party, the By-laws of the Surviving Company shall be the By-laws of the Merger Sub immediately prior to the Effective Time.

**1.6 Assets and Liabilities**. At the Effective Time, the Surviving Company shall possess all the rights, privileges, powers and franchises of a public as well as of a private nature, and be subject to all the restrictions, disabilities and duties of each of Merger Sub. and Parscale (collectively, the "Constituent Corporations"); and all the rights, privileges, powers and franchises of each of the Constituent Corporations, and all property, real, personal and mixed, and all debts due to any of the Constituent Corporations on whatever account, as well as all other things in action or belonging to each of the Constituent Corporations, shall be vested in the Surviving Company; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectively the property of the Surviving Company as they were of the several and respective Constituent Corporations, and the title to any real estate vested by deed or otherwise in either of such Constituent Corporations shall not revert or be in any way impaired by the Merger; but all rights of creditors and all liens upon any property of any of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of the Constituent Corporations shall thenceforth attach to the Surviving Company, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

**2. Other Covenants**.

**2.1 Covenant Not to Compete**. As a material inducement for Buyer to enter into this Agreement, Bradley Parscale covenants and agrees that for a period of three (3) years following the Effective Time (the "Non-Competition Period"), he shall not, directly or indirectly own, manage, operate, participate in, produce, represent, distribute and/or otherwise act on behalf of any person, firm, corporation, partnership or other entity which involves digital marketing services (excluding media buying and data services) for non-political customers and non-political campaigns (the "Competitive Business") anywhere in the world (collectively, the "Territory"); or hire any employee or former employee of Buyer, the Surviving Company, or Parscale to perform services in or involving the Competitive Business, unless the individual hired shall have departed Buyer's, the Surviving Company's or Parscale's employment at least twelve (12) months prior to the hiring. Bradley Parscale may hire a former employee within (12) months of former employees' employment upon written consent of the Company. Bradley Parscale further covenants and agrees that during the Non-Competition Period, he will not directly or indirectly solicit or agree to service for his benefit or the benefit of any third-party, any of Parscale's, Buyer's, or the Surviving Company's customers. Notwithstanding the foregoing, nothing in this Section 2.1 shall prohibit him from owning, managing, operating, participating in the operation of, or advising, consulting or being employed by any entity that is not involved in the Competitive Business, as long as such activities do not affect any responsibilities of employment or consultation at the Company or its subsidiaries, including the Surviving Company. The Parties agree that Bradley Parscale can continue to provide Facebook marketing and data services to non-political customers and digital marketing services to political clients and for political related campaigns, anywhere in the world. Bradley Parscale acknowledges and agrees that Buyer will expend substantial time, talent, effort and money in marketing, promoting, managing, selling and otherwise exploiting the businesses Buyer and the Surviving Company operate, in part by virtue of Buyer's acquisition of Parscale pursuant to this Agreement, that the Parscale Shareholder is the only shareholder of Parscale, that he is receiving a substantial benefit from the transactions contemplated hereunder and that the benefit received by Buyer and the Parscale Shareholder in agreeing to be bound by this Section 2.1 are a material part of the consideration for the transactions contemplated by this Agreement. The Parties recognize that this Section 2,1 contains conditions, covenants, and time limitations that are reasonably required for the protection of the business of the Surviving Company and Buyer. If any limitation, covenant or condition shall be deemed to be unreasonable and unenforceable by a court or arbitrator of competent jurisdiction, then this Section 2.1 shall thereupon be deemed to be amended to provide modification of such limitation, covenant and/or condition to such extent as the court or arbitrator (as applicable) shall find to be reasonable and such modification shall not affect the remainder of this Agreement. The Parscale Shareholder acknowledges that, in the event the Parscale Shareholder breaches this Agreement, money damages will not be adequate to compensate Buyer for the loss occasioned by such breach. The Parscale Shareholder therefore consents, in the event of such a breach, to the granting of injunctive or other equitable relief against the Parscale Shareholder by any court of competent jurisdiction. Notwithstanding anything to the contrary herein, Bradley Parscale may compete with Buyer if the work contracted by Bradley Parscale is subsequently sub-contracted at a market rate to Buyer or a subsidiary company owned by Buyer.

**2.2 Lockup of Stock Consideration**. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, during the period beginning on the Effective Time and ending on the twenty four (24) month anniversary thereof (the "Lockup Period"), Parscale Shareholder will not directly or indirectly, (i) offer, sell, offer to sell, contract to sell, hedge, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or sell (or announce any offer, sale, offer of sale, contract of sale, hedge, pledge, sale of any option or contract to purchase, purchase of any option or contract of sale, grant of any option, right or warrant to purchase or other sale or disposition), or otherwise transfer or dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future), any portion of the Stock Consideration, or any shares of the Company's common stock underlying the Stock Consideration (collectively the "Lock-Up Securities"), beneficially owned, within the meaning of Rule 13d-3 under the Exchange Act, by such holder on the Effective Date, or hereafter acquired or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any portion of the Lock-Up Securities, whether or not any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of any of the Lock-Up Securities").

**2.3 Board of Directors of CloudCommerce, Inc.** At or prior to the Closing, to be effective on the Closing, the Parties will execute all documents, resolutions, appointments and acceptances in order to cause the appointment of Bradley Parscale to the Board of Directors of CloudCommerce, Inc.

**2.4 Cooperation on Tax Matters**. The Parties acknowledge and agree that they intend for the transactions set forth in this Agreement to be treated as a tax-free reorganization under IRC § 368(a)(1). From and after the date of this Agreement, each party shall cooperate fully, as and to the extent reasonably requested by any other party, in connection with the preparation of tax returns, forms and/or documents necessary to ensure that the transactions set forth in this Agreement are treated as a tax-free reorganization under IRC § 368(a)(1).

**2.5 Use of Parscale Name**. The Parties acknowledge and agree that Buyer shall not use the Parscale name in connection with any business or company other than the Merger Sub or any subsidiary owned by Merger Sub. In the event that Merger Sub engages in any activity that Seller deems to be adverse to his business reputation, Seller shall send a notice to Merger Sub requesting Merger Sub to cease and desist from such adverse activity. If within ten (10) days of receipt of notice, Merger Sub fails to comply, then Seller may revoke the right to use the Parscale name.

**3. Closing and Further Acts**.

**3.1 Time and Place of Closing**. Upon satisfaction or waiver of the conditions set forth in this Agreement, the closing of the Transaction (the "Closing") will take place in Santa Barbara, California at 11:00 a.m. (local time) on the date that the Parties may mutually agree in writing, but in no event later than August 1, 2017 (the "Closing Date"), unless extended by mutual written agreement of the Parties.

**3.2 Actions at Closing**. At the Closing, the following actions will take place:

(a) Buyer will deliver to Bradley Parscale a certificate representing the Stock Consideration as set forth on the attached Schedule 4.2.

(b) The Parties shall execute and deliver for filing the Certificate of Merger upon the Closing.

(c) Parscale will deliver to Buyer copies of necessary resolutions of the Board of Directors of Parscale authorizing the execution, delivery, and performance of this Agreement and the other agreements contemplated by this Agreement, which resolutions have been certified by an officer of Parscale as being valid and in full force and effect.

(d) Buyer will deliver to Parscale copies of corporate resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated by this Agreement, which resolutions have been certified by an officer of Buyer as being valid and in full force and effect.

(e) Parscale will deliver to the Buyer true and complete copies of Parscale's Certificate of Incorporation, Bylaws, and a Certificate of Good Standing from the Secretary of State of its state of domicile, which articles and certificate of good standing are dated not more than five (5) days prior to the Closing Date.

(f) Delivery of any additional documents or instruments as a party may reasonably request or as may be necessary to evidence and effect the Merger.

(e) Bradley Parscale will deliver to the Company a stock certificate for 100 shares of the Common Stock of Parscale representing all of the issued and outstanding common stock of the Parscale, along with an appropriately endorsed stock power.

**3.3 Actions Pre-Closing**. Seller and the Parscale Shareholder will at all times prior to and after the Closing cooperate fully with Buyer and Buyer's officers, directors, representatives, accountants and lawyers to enable Buyer to conduct thorough due diligence of Parscale and to enable Parscale to prepare and have audited all financial statements deemed necessary by Buyer to comply with all of its reporting obligations with the Securities and Exchange Commission, including without limitation the preparation and filing of a report on Form 8-K within four (4) business days after the Closing, without audited financial statements, and to file an amendment on Form 8-K with audited financial statements within seventy-one (71) days after the Closing, subject to the provisions of Section 3.5 of this Agreement.

**3.4 Actions Post Closing**. The Parscale Shareholder will at all times after the Closing cooperate fully with Buyer and Buyer's officers, directors, representatives, accountants and lawyers to complete the preparation and audit of all financial statements of Buyer and Parscale deemed necessary or appropriate by Buyer, and to enable Buyer to comply with all of its reporting obligations with the Securities and Exchange Commission.

**3.5 Costs of Financial Audit of Parscale**. Buyer will bear the costs of the audits of Parscale financial statements, except that Parscale will reimburse Buyer for the total cost of the audits, as invoiced by the auditor, if any of the following events occur: (i) the audits cannot be completed due to the lack of reasonable cooperation from Seller, the Parscale Shareholder or Parscale's personnel, or (ii) the audited financials and records of Parscale are, in the opinion of the certified auditors, materially and adversely different than those presented to the Buyer prior to the date of this Agreement, or (iii) Seller or the Parscale Shareholders refuse to proceed with the Closing and Buyer is ready, willing and able to proceed with the Closing, or Seller or the Parscale Shareholders otherwise materially breach this Agreement. With the exception of possible audit fee reimbursement, under no circumstances will either Buyer or Seller or the Parscale Shareholder be due any termination expenses in connection with this Agreement.

**4. Representations and Warranties of the Parscale Shareholder and Seller**.

Except as set forth on the Disclosure Schedules, attached hereto as Exhibit C, the Parscale Shareholder and Seller represent and warrant, jointly and severally, as of the date hereof, to Buyer as follows:

**4.1 Power and Authority; Binding Nature of Agreement**. The Parscale Shareholder and Seller have full power and authority to enter into this Agreement and to perform their obligations hereunder. The execution, delivery, and performance of this Agreement by Parscale have been duly authorized by all necessary action on its part. Assuming that this Agreement is a valid and binding obligation of each of the other Parties hereto, this Agreement is a valid and binding obligation of the Parscale Shareholder and Seller, except as may be limited by bankruptcy, moratorium, insolvency or other similar laws generally affecting the enforcement of creditors' rights, and the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity). The execution and delivery of this Agreement, by Parscale and the consummation by Parscale of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by the Board of Directors of Parscale as well as by the holder of all the issued and outstanding shares of shares of stock of Parscale entitled to vote and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby or to perform its obligations hereunder.

**4.2 Subsidiaries**. There is no corporation, general partnership limited partnership, joint venture, association, trust or other entity or organization that Parscale directly or indirectly controls or in which Parscale directly or indirectly owns any equity or other interest.

**4.3 Good Standing**. Parscale (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, (ii) has all necessary power and authority to own its assets and to conduct its business as it is currently being conducted, and (iii) is duly qualified or licensed to do business and is in good standing in every jurisdiction (both domestic and foreign) where such qualification or licensing is required.

**4.4 Financial Statements**. Parscale has delivered to Buyer the following unaudited financial statements, if applicable, prior to the Closing (the "Parscale Financial Statements"): the unaudited statement of operations and balance sheet of Parscale from inception through July 31, 2017. Except as stated therein or in the notes thereto, the Parscale Financial Statements: (a) present fairly the financial position of Parscale as of the respective dates thereof and the results of operations and changes in financial position of Parscale for the respective periods covered thereby; and (b) have been prepared in accordance with Parscale's normal business practices applied on a consistent basis throughout the periods covered. Parscale will cooperate with Buyer to prepare the following audited financial statements, if applicable, prior to the Closing: (i) the audited statement of operations and statement of cash flows from inception through _____, 2017. All financial statements shall be prepared in accordance with generally accepted accounting principles.

**4.5 Capitalization**. The authorized capital structure of Parscale consists of 100 shares outstanding, all of which are beneficially owned by Bradley Parscale. No other shares of the Company are issued, reserved for issuance or outstanding. All outstanding shares of the Company are duly authorized, validly issued, fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the applicable corporate laws of its state of formation, the Company's certificate of incorporation and bylaws or any contract to which Parscale is a party or otherwise bound. There are no bonds, debentures, notes or other indebtedness of Parscale having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Membership Interests may vote ("Voting Company Debt"). Except as otherwise set forth herein, as of the date of this Agreement, there are no options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, contracts, arrangements or undertakings of any kind to which Parscale is a party or by which Parscale is bound (i) obligating Parscale to issue, deliver or sell, or cause to be issued, delivered or sold, additional membership units or other equity interests in, or any security convertible or exercisable for or exchangeable into any membership units or other equity interest in, the Company or any Voting Company Debt, (ii) obligating Parscale to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, contract, arrangement or undertaking or (iii) that give any person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of shares of Parscale.

**4.6 Absence of Changes**. Except as otherwise set forth on Schedule 4.6 hereto or otherwise disclosed to and acknowledged by Buyer in writing prior to the Closing, since inception:

(a) There has not been any material adverse change in the business, condition, assets, operations or prospects of Parscale and no event has occurred that is reasonably likely to have a material adverse effect on the business, condition, assets, operations or prospects of Parscale.

(b) Parscale has not repurchased, redeemed or otherwise reacquired any of its membership interests or other securities.

(c) Parscale has not sold or otherwise issued any of its shares of common stock.

(d) Parscale has not amended its articles of organization, operating agreement or other charter or organizational documents, nor has it effected or been a party to any merger, recapitalization, reorganization or similar transaction.

(e) Parscale has not formed any subsidiary or contributed any funds or other assets to any subsidiary.

(f) Parscale has not purchased or otherwise acquired any material assets, nor has it leased any assets from any other person, except in the ordinary course of business consistent with past practice.

(g) Parscale has not made any capital expenditure outside the ordinary course of business or inconsistent with past practice.

(h) Parscale has not sold or otherwise transferred any material assets to any other person, except in the ordinary course of business consistent with past practice and at a price equal to the fair market value of the assets transferred.

(i) There has not been any material loss, damage or destruction to any of the material properties or Assets of Parscale (whether or not covered by insurance).

(j) Parscale has not written off as uncollectible any indebtedness or accounts receivable, except for write offs that were made in the ordinary course of business consistent with past practice.

(k) Parscale has not leased any assets to any other person except in the ordinary course of business consistent with past practice and at a rental rate equal to the fair rental value of the leased assets.

(l) Parscale has not mortgaged, pledged, hypothecated or otherwise encumbered any assets, except in the ordinary course of business consistent with past practice.

(m) Parscale has not entered into any contract, or incurred any debt, liability or other obligation (whether absolute, accrued, contingent or otherwise), except for (i) contracts that were entered into in the ordinary course of business consistent with past practice and that have terms of less than six (6) months and do not contemplate payments by or to Parscale which will exceed, over the term of the contract, ten thousand dollars ($10,000) in the aggregate, and (ii) current liabilities incurred in the ordinary course of business consistent with the past practice.

(n) Parscale has not made any loan or advance to any other person, except for advances that have been made to customers in the ordinary course of business consistent with past practice and that have been properly reflected as "accounts receivables."

(o) Other than annual raises or bonuses paid or provided consistent with past business practices and not exceeding $2,500, Parscale has not paid any bonus to, or increased the amount of the salary, fringe benefits or other compensation or remuneration payable to, any of the managers, officers or employees of Parscale.

(p) No contract or other instrument to which Parscale is or was a party or by which Parscale or any of its assets are or were bound has been amended or terminated, except in the ordinary course of business consistent with past practice.

(q) Parscale has not discharged any lien or discharged or paid any indebtedness, liability or other obligation, except for current liabilities that (i) are reflected in the Parscale Financial Statements as of December 31, 2016 or have been incurred since December 31, 2016 in the ordinary course of business consistent with past practice, and (ii) have been discharged or paid in the ordinary course of business consistent with past practice.

(r) Parscale has not forgiven any debt or otherwise released or waived any right or claim, except in the ordinary course of business consistent with past practice.

(s) Parscale has not changed its methods of accounting or its accounting practices in any respect.

(t) Parscale has not entered into any transaction outside the ordinary course of business or inconsistent with past practice.

(u) Parscale has not agreed or committed (orally or in writing) to do any of the things described in clauses (b) through (t) of this Section 4.6.

**4.7 Absence of Undisclosed Liabilities**. Parscale has no debt, liability or other obligation of any nature (whether due or to become due and whether absolute, accrued, contingent or otherwise) that is not reflected or reserved against in the Parscale Financial Statements as of July 31, 2017, except for obligations incurred since inception in the ordinary and usual course of business consistent with past practice.

**4.8 Parscale Assets**.

(a) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in a breach of the terms and conditions of, or result in a loss of rights under, or result in the creation of any lien, charge or encumbrance upon, any of its assets (the "Assets").

(b) Parscale has good and marketable title to the Assets, free and clear of all mortgages, liens, leases, pledges, charges, encumbrances, equities or claims, except as expressly disclosed in writing by Parscale to Buyer prior to the Closing Date.

(c) Except as reflected in the Parscale Financial Statements, the Assets are not subject to any material liability, absolute or contingent, which has not been disclosed by Parscale to and acknowledged by Buyer in writing prior to the Closing Date.

(d) Parscale has provided to Buyer in writing an accurate description of all of the assets of Parscale or used in the business of Parscale.

(e) Parscale has provided to Buyer in writing a list of all contracts, agreements, licenses, leases, arrangements, commitments and other undertakings to which Parscale is a party or by which it or its property is bound. Except as specified by Parscale to and acknowledged by Buyer in writing prior to the Closing Date, all of such contracts, agreements, leases, licenses and commitments are valid, binding and in full force and effect. As soon as practicable after the execution of this Agreement by all Parties, Parscale will provide Buyer with copies of all such documents for Buyer's review.

**4.9 Compliance with Laws; Licenses and Permits**. Parscale is not in violation of, nor has it failed to conduct its business in material compliance with, any applicable federal, state, local or foreign laws, regulations, rules, treaties, rulings, orders, directives or decrees. Parscale has delivered to Buyer a complete and accurate list and provided Buyer with the right to inspect true and complete copies of all of the licenses, permits, authorizations and franchises to which Parscale is subject and all said licenses, permits, authorizations and franchises are valid and in full force and effect. Said licenses, permits, authorizations and franchises constitute all of the licenses, permits, authorizations and franchises reasonably necessary to permit Parscale to conduct its business in the manner in which it is now being conducted, and Parscale is not in violation or breach of any of the terms, requirements or conditions of any of said licenses, permits, authorizations or franchises.

**4.10 Taxes**. Except as disclosed herein, Parscale has accurately and completely filed with the appropriate United States state, local and foreign governmental agencies all tax returns and reports required to be filed (subject to permitted extensions applicable to such filings), and has paid or accrued in full all taxes, duties, charges, withholding obligations and other governmental liabilities as well as any interest, penalties, assessments or deficiencies, if any, due to, or claimed to be due by, any governmental authority (including taxes on properties, income, franchises, licenses, sales and payroll). (All such items are collectively referred to herein as "Taxes"). The Parscale Financial Statements fully accrue or reserve all current and deferred taxes. Parscale is not a party to any pending action or proceeding, nor is any such action or proceeding threatened by any governmental authority for the assessment or collection of Taxes. No liability for taxes has been incurred other than in the ordinary course of business. There are no liens for Taxes except for liens for property taxes not yet delinquent. Parscale is not a party to any Tax sharing, Tax allocation, Tax indemnity or statute of limitations extension or waiver agreement and in the past year has not been included on any consolidated combined or unitary return with any entity other than Parscale. Parscale has duly withheld from each payment made to each person from whom such withholding is required by law the amount of all Taxes or other sums (including but not limited to United States federal income taxes, any applicable state or municipal income tax, disability tax, unemployment insurance contribution and Federal Insurance Contribution Act taxes) required to be withheld therefore and has paid the same to the proper tax authorities prior to the due date thereof. To the extent any Taxes withheld by Parscale have not been paid as of the Closing Date because such Taxes were not yet due, such Taxes will be paid to the proper tax authorities in a timely manner. All Tax returns filed by Parscale are accurate and comply with and were prepared in accordance with applicable statutes and regulations. The Parscale Shareholders and Seller will cause Parscale to prepare and file all Tax returns and pay all Taxes required prior to the Closing. Such Tax returns will be subject to review and approval by Buyer, which approval will not be unreasonably withheld.

**4.11 Environmental Compliance Matters**. Parscale has at all relevant times with respect to the Business or otherwise been in material compliance with all environmental laws, and has received no potentially responsible party notices or similar notices from any governmental agencies or private parties concerning releases or threatened releases of any "hazardous substance" as that term is defined under 42 U.S.C. 960(1) (14).

**4.12 Compensation**. Parscale has provided Buyer with a full and complete list of all officers, directors, employees and consultants of Parscale as of the date hereof, specifying their names and job designations, their respective current wages, salaries or other forms of direct compensation, and the basis of such compensation, whether fixed or commission or a combination thereof.

**4.13 No Default**.

(a) Each of the contracts, agreements or other instruments of Parscale and each of the standard customer agreements or contracts of Parscale is a legal, binding and enforceable obligation by or against Parscale, subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium or other similar federal or state laws affecting the rights of creditors and the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity). To the knowledge of Seller and Bradley Parscale, no party with whom Parscale has an agreement or contract is in default there under or has breached any terms or provisions thereof which is material to the conduct of Parscale's business.

(b) Parscale has performed or is now performing the obligations of, and Parscale is not in material default (or would by the elapse of time and/or the giving of notice be in material default) in respect of, any contract, agreement or commitment binding upon it or its assets or properties and material to the conduct of its business. No third party has raised any claim, dispute or controversy with respect to any of the executed contracts of Parscale, nor has Parscale received notice of warning of alleged nonperformance, delay in delivery or other noncompliance by Parscale with respect to its obligations under any of those contracts, nor are there any facts which exist indicating that any of those contracts may be totally or partially terminated or suspended by the other Parties thereto.

**4.14 Product Warranties**. Except as otherwise disclosed to and acknowledged by Buyer in the form of a written disclosure schedule prior to the Closing and for warranties under applicable law, (a) there are no warranties, express or implied, written or oral, with respect to the products or projects of Parscale, (b) there are no pending or threatened claims with respect to any such warranty and (c) Parscale has no, and after the Closing Date, will have no, liability with respect to any such warranty, whether known or unknown, absolute, accrued, contingent, or otherwise and whether due or to become due, other than customary returns in the ordinary course of business that are fully reserved against in the Parscale Financial Statements.

**4.15 Proprietary Rights**.

(a) Parscale has provided Buyer in writing a complete and accurate list and provided Buyer with the right to inspect true and complete copies of all software, patents and applications for patents, trademarks, trade names, service marks, and copyrights, and applications therefore, owned or used by Parscale or in which it has any rights or licenses, except for software used by Parscale and generally available on the commercial market. Parscale has provided Buyer with a complete and accurate description of all agreements or provided Buyer with the right to inspect true and complete copies of all agreements of Parscale with each officer, employee or consultant of Parscale providing Parscale with title and ownership to patents, patent applications, trade secrets and inventions developed or used by Parscale in its business. All of such agreements are valid, enforceable and legally binding, subject to the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity).

(b) Parscale owns or possesses licenses or other rights to use all computer software, software programs, patents, patent applications, trademarks, trademark applications, trade secrets, service marks, trade names, copyrights, inventions, drawings, designs, customer lists, propriety know-how or information, or other rights with respect thereto (collectively referred to as "Proprietary Rights"), used in the business of Parscale, and the same are sufficient to conduct Parscale's business as it has been and is now being conducted.

(c) The operations of Parscale do not conflict with or infringe, and no one has asserted to Parscale that such operations conflict with or infringe on any Proprietary Rights owned, possessed or used by any third party. There are no claims, disputes, actions, proceedings, suits or appeal pending against Parscale with respect to any Proprietary Rights, and none has been threatened against Parscale. There are no facts or alleged fact which would reasonably serve as a basis for any claim that Parscale does not have the right to use, free of any rights or claims of others, all Proprietary Rights in the development, manufacture, use, sale or other disposition of any or all products or services presently being used, furnished or sold in the conduct of the business of Parscale as it has been and is now being conducted.

(d) To the knowledge of Seller, no current employee of Parscale is in violation of any term of any employment contract, proprietary information and inventions agreement, non-competition agreement, or any other contract or agreement relating to the relationship of any such employee with Parscale or any previous employer.

**4.16 Insurance**. Parscale has provided Buyer with complete and accurate copies of all policies of insurance and provided Buyer with the right to inspect true and complete copies of all policies of insurance to which Parscale is a party or is a beneficiary or named insured as of the Closing Date. Parscale has in full force and effect, with all premiums due thereon paid the policies of insurance set forth therein. There were no claims in excess of $10,000 asserted or currently outstanding under any of the insurance policies of Parscale in respect of all motor vehicle, general liability, since inception.

**4.17 Labor Relations**. None of the employees of Parscale are represented by any union or are parties to any collective bargaining arrangement, and, to the knowledge of Seller, no attempts are being made to organize or unionize any of Parscale's employees. Except as disclosed in writing to Buyer prior to the Closing, to the knowledge of Seller, there is not presently pending or existing, and there is not presently threatened, any material (a) strike, slowdown, picketing, work stoppage or employee grievance process, or (b) action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) against or affecting Parscale relating to the alleged violation of any legal requirement pertaining to labor relations or employment matters. Parscale is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, wages and hours, occupational safety and health and is not engaged in any unfair labor practices. Parscale is in compliance with the Immigration Reform and Control Act of 1986. Except as disclosed in Schedule 4.17, Parscale has no employment agreements.

**4.18 Condition of Premises**. All real property leased by Parscale is in good condition and repair, ordinary wear and tear excepted.

**4.19 No Distributor Agreements**. Except as disclosed to and acknowledged by Buyer in writing prior to the Closing, Parscale is not a party to, nor is the property of Parscale bound by, any distributors' or manufacturer's representative or agency agreement.

**4.20 Conflict of Interest Transactions**. No past or present member, manager, director, officer or employee of Parscale or any of their affiliates (i) is indebted to, or has any financial, business or contractual relationship or arrangement with Parscale, or (ii) has any direct or indirect interest in any property, asset or right which is owned or used by Parscale or pertains to the business of Parscale with the exception of outstanding member loans which will be satisfied and discharged in full prior to the Closing Date.

**4.21 Litigation**. There is no action, suit, proceeding, dispute, litigation, claim, complaint or, to the knowledge of Seller, investigation by or before any court, tribunal, governmental body, governmental agency or arbitrator pending or threatened against or with respect to Parscale which (i) if adversely determined would have a material adverse effect on the business, condition, assets, operations or prospects of Parscale, or (ii) challenges or would challenge any of the actions required to be taken by Parscale under this Agreement. There exists no basis for any such action, suit, proceeding, dispute, litigation, claim, complaint or investigation.

**4.22 Non-Contravention**. Neither (a) the execution and delivery of this Agreement, nor (b) the performance of this Agreement will: (i) contravene or result in a violation of any of the provisions of certificate of incorporation or Bylaws of Parscale; (ii) contravene or result in a violation of any resolution adopted by the shareholders or directors of Parscale; (iii) result in a violation or breach of, or give any person the right to declare (whether with or without notice or lapse of time) a default under or to terminate, any material agreement or other instrument to which Parscale or Bradley Parscale is a party or by which Parscale or any of its assets are bound; (iv) give any person the right to accelerate the maturity of any indebtedness or other obligation of Parscale; (v) result in the loss of any license or other contractual right of Parscale; (vi) result in the loss of, or in a violation of any of the terms, provisions or conditions of, any governmental license, permit, authorization or franchise of Parscale; (vii) result in the creation or imposition of any lien, charge, encumbrance or restriction on any of the assets of Parscale; (viii) result in the reassessment or revaluation of any property of Parscale by any taxing authority or other governmental authority; (ix) result in the imposition of, or subject Parscale to any liability for, any conveyance or transfer tax or any similar tax; or (x) result in a violation of any law, rule, regulation, treaty, ruling, directive, order, arbitration award, judgment or decree to which Parscale or any of its assets or any limited liability interests are subject.

**4.23 Approvals**. Parscale has provided Buyer with a complete and accurate list of all jurisdictions in which Parscale is authorized to do business along with the documentation evidencing such authorization. No authorization, consent or approval of, or registration or filing with, any governmental authority is required to be obtained or made by Parscale in connection with the execution, delivery or performance of this Agreement, including the conveyance to Buyer of the Business.

**4.24 Brokers**. Parscale has not agreed to pay any brokerage fees, finder's fees or other fees or commissions with respect to the Transaction, and no person is entitled, or intends to claim that it is entitled, to receive any such fees or commissions in connection with such transaction.

**4.25 Special Government Liabilities.** Parscale has no existing or pending liabilities, obligations or deferred payments due to any federal, state or local government agency or entity in connection with its business or with any program sponsored or funded in whole or in part by any federal, state or local government agency or entity, nor are the Parscale Shareholder or Seller aware of any threatened action or claim or any condition that could support an action or claim against Parscale or the Business for any of said liabilities, obligations or deferred payments.

**4.26** Reserved**.**

**4.27 Net Working Capital**. Immediately prior to the Closing, Parscale's Working Capital, as hereinafter defined, shall be not less four hundred thousand dollars ($400,000.00). Specifically, there shall not be less than two hundred thousand dollars ($200,000.00) of cash or cash equivalent in Parscale's Working Capital. For purposes of this Section 4.27:

i. "Current Assets" means the current assets of Seller as determined in accordance with U.S. generally accepted accounting principles.

ii. "Current Liabilities" means the current Liabilities of Seller as determined in accordance with U.S. generally accepted accounting principles.

iii. "Working Capital" means an amount equal to (a) the amount of the Current Assets minus (b) the amount of the Current Liabilities.

**4.28 Full Disclosure**. Neither this Agreement (including the exhibits hereto) nor any statement, certificate or other document delivered to Buyer by or on behalf of Parscale contains any untrue statement of a material fact or omits to state a material fact necessary to make the representations and other statements contained herein and therein not misleading.

**4.29 Tax Advice**. The Parscale Shareholder and Seller hereby represent and warrant that they have sought their own independent tax advice regarding the Transaction and neither the Parscale Shareholder nor Seller have relied on any representation or statement made by Buyer, Merger Sub, or their representatives regarding the tax implications of such transactions.

**4.30 Acknowledgement of Risks**. The Parscale Shareholder hereby represent and warrant that they have conducted a thorough review of Buyer's public reports and financial statements filed by it with the Securities and Exchange Commission, and have had an opportunity to ask questions of and to receive additional information from representatives of Buyer. The Parscale Shareholder acknowledge that there are substantial risks associated with owning the Series D Preferred Stock and Buyer's common stock into which it is convertible, including but not limited to (i) those risk factors contained in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2016, which , a copy of which has been delivered to the Parscale Shareholder and which the Parscale Shareholder acknowledges receipt of, (ii) the transferability of Buyer's common stock is restricted by applicable federal and state securities laws as well as by the terms of this Agreement and the Series D Preferred Stock, and may be impaired by a lack of trading volume, and (iii) those additional risks described in public reports filed by Buyer with the Securities and Exchange Commission. The Parscale Shareholder is acquiring the Series D Preferred Stock for investment for its own respective accounts only and not with a view to, or for resale in connection with, any distribution thereof. The Parscale Shareholder represent and warrants that he is sophisticated, knowledgeable and experienced in making investments of this kind and are capable of evaluating the risks and merits of acquiring the Series D Preferred Stock, or have consulted with sophisticated or knowledgeable advisors in these matters. The Parscale Shareholder represents and warrants that he has no immediate need for liquidity in connection with the Series D Preferred Stock, does not anticipate that he will be required to sell the Series D Preferred Stock in the foreseeable future and has the capacity to sustain a complete loss of his investment in the Series D Preferred Stock.

**4.31 Restricted Securities**. It is understood that the Stock Consideration is characterized as "restricted securities" under the Securities Act of 1933 as amended inasmuch as this Agreement contemplates that, the Stock Consideration is being acquired in a transaction not involving a public offering. It is further understood and acknowledged that if the Stock Consideration is issued to the Parscale Shareholder in accordance with the provisions of this Agreement, such Stock Consideration may not be resold without registration under the Securities Act or the existence of an exemption therefrom. The Parscale Shareholder represents that he is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

**4.32 Legends**. It is understood that the certificates evidencing Stock Consideration will bear the following legend or another legend that is similar to the following:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

THESE SECURITIES ARE SUBJECT TO THE TERMS OF A LOCK-UP AGREEMENT AND MAY NOT BE TRANSFERRED, SOLD OR ASSIGNED OTHER THAN AS PERMITTED THEREIN, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

THE TERMS OF THE SERIES D CONVERTIBLE PREFERRED STOCK ARE SET FORTH IN THE CERTIFICATE OF DESIGNATION WHICH HAS BEEN FILED WITH THE SECRETARY OF STATE OF THE STATE OF NEVADA A COPY OF WHICH IS AVAILABLE UPON THE WRITTEN REQUEST TO THE COMPANY BY THE HOLDER OF SERIES D CONVERTIBLE PREFERRED

and any legend required by the "blue sky" laws of any state to the extent such laws are applicable to the securities represented by the certificate so legended.

**4.33 Representations True on Closing Date**. The representations and warranties of Bradley Parscale and Parscale set forth in this Agreement are true and correct on the date hereof, and will be true and correct on the Effective Time as though such representations and warranties were made as of the Closing Date.

**5. Representations and Warranties of Buyer.**

Buyer represents and warrants to the Parscale Shareholder and Seller as follows:

**5.1 Power and Authority; Binding Nature of Agreement** Buyer has full power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary action on its part. Assuming that this Agreement is a valid and binding obligation of the other party hereto, this Agreement is a valid and binding obligation of Buyer.

**5.2 Approvals**. No authorization, consent or approval of, or registration or filing with, any governmental authority or any other person is required to be obtained or made by Buyer in connection with the execution, delivery or performance of this Agreement.

**5.3 Good Standing**. Buyer (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, (ii) has all necessary power and authority to own its assets and to conduct its business as it is currently being conducted, (iii) is duly qualified or licensed to do business and is in good standing in every jurisdiction (both domestic and foreign) where such qualification or licensing is required, (iv) has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

**5.4 Authority.** The execution of this Agreement by the individual whose signature is set forth at the end of this Agreement, and the delivery of this Agreement by Buyer, have been duly authorized by all necessary corporate action on the part of Buyer;

**5.5 Representations True on Closing Date**. The representations and warranties of Buyer set forth in this Agreement are true and correct on the date hereof, and will be true and correct on the Closing Date as though such representations and warranties were made as of the Closing Date.

**5.6 Non-Contravention**. The execution, delivery and performance of this Agreement by Buyer will not violate, conflict with, require consent under or result in any breach or default under (i) any of Buyer's organizational documents (including its Certificate of Incorporation and By-laws), (ii) any applicable law or (iii) with or without notice or lapse of time or both, the provisions of any material contract or agreement to which Buyer is a party or to which any of its material assets are bound (the "Buyer Contracts").

**5.7 Material Compliance**. Buyer is in material compliance with all applicable Laws and Buyer Contracts relating to this Agreement, and the operation of its business.

**5.8 Capital Structure**. The authorized capital stock of the Company consists of: (i) Two Billion (2,000,000,000) shares of Common Stock, par value $0.001 per share of which 130,252,778 shares are issued and outstanding as of the date of this Agreement and (ii) Five Million (5,000,000) shares of preferred stock, par value $0.001per share, of which (A) 10,000 are designated Series A Preferred Stock, all of which are issued and outstanding as of the date of the this Agreement, (B) 25,000 are designated Series B Preferred Stock, 18,025 of which are issued and outstanding as of the date of this Agreement and (C) 25,000 are designated Series C Preferred Stock, 14,425 of which are issued and outstanding as of the date of this Agreement. All of the outstanding shares of capital stock of the Company are, and all shares of capital stock of the Company which may be issued as contemplated or permitted by this Agreement will be, when issued, duly authorized and validly issued, fully paid and non-assessable and not subject to any pre-emptive rights. Prior to the Closing, Buyer will deliver to Seller a schedule describing all convertible instruments such as stock options, warrants, convertible notes, and convertible preferred stock of the Company (the “Convertible Instruments”), along with the aggregate number of shares that could be issued if all Convertible Instruments were converted into shares of Common Stock.

**5.9 Governmental Consents**. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to (any of the foregoing being a "Consent"), any supranational, national, state, municipal, local or foreign government, any instrumentality, subdivision, court, administrative agency or commission or other governmental authority, or any quasi-governmental or private body exercising any regulatory or other governmental or quasi-governmental authority (a "Governmental Entity") is required to be obtained or made by the Buyer in connection with the execution, delivery and performance by the Company of this Agreement or the consummation by the Buyer of the Merger and other transactions contemplated hereby, except for: (i) the filing of the Certificate of Merger with the Secretary of State of the State of Nevada; (ii) if required by Nevada law, the filing of the Buyer Proxy Statement with the Securities and Exchange Commission ("SEC") in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such reports under the Exchange Act as may be required in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement; (iii) such Consents as may be required under (A) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") or (B) any other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or significant impediments or lessening of competition or creation or strengthening of a dominant position through merger or acquisition ("Foreign Antitrust Laws" and, together with the HSR Act, the "Antitrust Laws"), in any case that are applicable to the transactions contemplated by this Agreement; (iv) such Consents as may be required under applicable state securities or "blue sky" Laws and the securities Laws of any foreign country; (v) the other Consents of Governmental Entities listed in Schedule 6.7(c); (vi) such other Consents which if not obtained or made would not reasonably be expected to have, individually or in the aggregate, a material adverse effect and (vii) any required filings with the Securities and Exchange Commission.

**5.10 SEC Filings** Buyer has timely filed with or furnished to, as applicable, the SEC all registration statements, prospectuses, reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated by reference) required to be filed or furnished by it with the SEC since January 1, 2016 (the **"Buyer SEC Documents"**). Buyer has made available to Seller and Bradley Parscale all such Buyer SEC Documents that it has so filed or furnished prior to the date hereof. To the knowledge of Buyer's management and board of directors, as of their respective filing dates (or, if amended or superseded by a subsequent filing, as of the date of the last such amendment or superseding filing prior to the date hereof), each of the Buyer SEC Documents complied as to form in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the **"Securities Act"**), and the Exchange Act, and the rules and regulations of the SEC thereunder applicable to such Buyer SEC Documents. To the knowledge of Buyer's management and board of directors, none of the Buyer SEC Documents, including any financial statements, schedules or exhibits included or incorporated by reference therein at the time they were filed (or, if amended or superseded by a subsequent filing, as of the date of the last such amendment or superseding filing prior to the date hereof), 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 light of the circumstances under which they were made, not misleading.

**5.11 Full Disclosure**. Neither this Agreement (including the exhibits hereto) nor any statement, certificate or other document delivered to Seller by or on behalf of Buyer contains any untrue statement of a material fact or omits to state a material fact necessary to make the representations and other statements contained herein and therein not misleading.

**6. Conditions to Closing.**

**6.1 Conditions Precedent to Buyer's Obligation to Close**. Buyer's obligation to close the transaction as contemplated in this Agreement is conditioned upon the occurrence or waiver by Buyer of the following:

(a) The Parscale Shareholder has delivered an updated list of assets and liabilities that is accurate and complete as of not more than five (5) business days prior to the Closing.

(b) All representations and warranties of the Parscale Shareholder and Seller made in this Agreement or in any exhibit or schedule hereto delivered by the Parscale Shareholder and Seller shall be true and correct as of the Closing Date with the same force and effect as if made on and as of that date.

(c) The Parscale Shareholder and Seller shall have performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing Date.

(d) Buyer must be satisfied in its sole and absolute discretion with its due diligence of the Parscale Shareholder and Seller.

(e) Buyer shall have received a report from the Secretary of State for Texas showing the existence or absence of liens, financing statements and other encumbrances recorded against any of the Assets, dated not more than five (5) days prior to the Closing, and such report shall be satisfactory to Buyer in its sole and absolute discretion.

(f) From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall (a) conduct the Business in the ordinary course of business; and (b) use commercially reasonable efforts to maintain and preserve intact its current Business organization, operations and franchise and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the Business. From the date hereof until the Closing Date, except as consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall not take any action that would cause any of the changes, events or conditions described in Section 4.6 to occur.

(g) From the date hereof until the Closing, Seller shall (a) afford Buyer and its representatives reasonable access to and the right to inspect all of the real property, properties, assets, premises, books and records, contracts and other documents and data related to the Business; (b) furnish Buyer and its representatives with such financial, operating and other data and information related to the Business as Buyer or any of its representatives may reasonably request; and (c) instruct the representatives of Seller to cooperate with Buyer in its investigation of the Business; *provided, however,* that any such investigation shall be conducted during normal business hours upon reasonable advance notice to Seller, under the supervision of Seller's personnel and in such a manner as not to interfere with the conduct of the Business or any other businesses of Seller. Notwithstanding anything to the contrary in this Agreement, Seller shall not be required to disclose any information to Buyer if such disclosure would, in Seller's sole discretion: (x) cause significant competitive harm to Seller and its businesses, including the Business, if the transactions contemplated by this Agreement are not consummated; (y) jeopardize any attorney-client or other privilege; or (z) contravene any applicable Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement. Prior to the Closing, without the prior written consent of Seller, which may be withheld for any reason, Buyer shall not contact any suppliers to, or customers of the Business.

**6.2 Conditions Precedent to the Parscale Shareholder's and Seller's Obligation to Close** The Parscale Shareholder's and Seller's obligation to close the transaction as contemplated in this Agreement is conditioned upon the occurrence or waiver by the Parscale Shareholder of the following:

(a) All representations and warranties of Buyer made in this Agreement or in any exhibit hereto delivered by Buyer shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of that date.

(b) Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing Date.

**7. Survival of Representations and Warranties**.

All representations and warranties made by each of the Parties hereto will survive the Closing for eighteen (18) months after the Closing Date, or longer if expressly and specifically provided in the Agreement. Parscale and the Parscale Shareholder will have joint and several liability under this Agreement, except for the covenant not to compete in Section 2.1 of this Agreement or where otherwise expressly and specifically provided in this Agreement.

**8. Indemnification**.

**8.1 Indemnification by the Parscale Shareholder**. The Parscale Shareholder agrees to indemnify, defend and hold harmless Buyer and its affiliates, directors, officers, agents and assigns against any and all claims, demands, losses, costs, expenses, obligations, liabilities and damages, including interest, penalties and reasonable attorney's fees and costs ("Losses"), incurred by Buyer or any of its affiliates arising, resulting from, or relating to any and all liabilities of Parscale incurred prior to the Closing Date or relating to the Assets prior the Closing Date, any misrepresentation of a material fact or omission to disclose a material fact made by the Parscale Shareholder or Seller in this Agreement, in any exhibits or schedules to this Agreement or in any other document furnished or to be furnished by Parscale or Seller under this Agreement, or any breach of, or failure by the Parscale Shareholder or Seller to perform, any of their representations, warranties, covenants or agreements in this Agreement or in any exhibit or other document furnished or to be furnished by the Parscale Shareholder or Seller under this Agreement. Notwithstanding anything to the contrary herein, the maximum aggregate liability of the Parscale Shareholder pursuant to this Section shall be no more than $1,000,000.

**8.2 Indemnification by Buyer**. Buyer agrees to indemnify, defend and hold harmless the Parscale Shareholder and from, or relating to any misrepresentation of a material fact or omission to disclose a material fact made by the Buyer in this Agreement, in any exhibits to this Agreement or in any other document furnished or to be furnished by the Buyer under this Agreement, or any breach of, or failure by Buyer to perform, any of its representations, warranties, covenants or agreements in this Agreement or in any exhibit or other document furnished or to be furnished by Buyer under this Agreement, provided however and notwithstanding anything to the contrary herein, the maximum aggregate liability of the Buyer pursuant to this Section shall be no more than $1,000,000.

**8.3 Procedure for Indemnification Claims**.

(a) Whenever any parties become aware that a claim (an "Underlying Claim") has arisen entitling them to seek indemnification under Section 8 of this Agreement, such parties (the "Indemnified Parties") shall promptly send a notice ("Notice") to the parties liable for such indemnification (the "Indemnifying Parties") of the right to indemnification (the "Indemnity Claim"); provided, however, that the failure to so notify the Indemnifying Parties will relieve the Indemnifying Parties from liability under this Agreement with respect to such Indemnity Claim only if, and only to the extent that, such failure to notify the Indemnifying Parties results in the forfeiture by the Indemnifying Parties of rights and defenses otherwise available to the Indemnifying Parties with respect to the Underlying Claim. Any Notice pursuant to this Section 8.3(a) shall set forth in reasonable detail, to the extent then available, the basis for such Indemnity Claim and an estimate of the amount of damages arising therefore.

(b) If an Indemnity Claim does not result from or arise in connection with any Underlying Claim or legal proceedings by a third party, the Indemnifying Parties will have thirty (30) calendar days following receipt of the Notice to issue a written response to the Indemnified Parties, indicating the Indemnifying Parties' intention to either (i) contest the Indemnity Claim or (ii) accept the Indemnity Claim as valid. The Indemnifying Parties' failure to provide such a written response within such thirty (30) day period shall be deemed to be an acceptance of the Indemnity Claim as valid. In the event that an Indemnity Claim is accepted as valid, the Indemnifying Parties shall, within fifteen (15) business days thereafter, pay Losses incurred by the Indemnified Parties in respect of the Underlying Claim in cash by wire transfer of immediately available funds to the account or accounts specified by the Indemnified Parties. To the extent appropriate, payments for indemnifiable Losses made pursuant to this Agreement will be treated as adjustments to the Purchase Price.

(c) In the event an Indemnity Claim results from or arises in connection with any Underlying Claim or legal proceedings by a third party, the Indemnifying Parties shall have fifteen (15) calendar days following receipt of the Notice to send a Notice to the Indemnified Parties of their election to, at their sole cost and expense, assume the defense of any such Underlying Claim or legal proceeding; provided that such Notice of election shall contain a confirmation by the Indemnifying Parties of their obligation to hold harmless the Indemnified Parties with respect to Losses arising from such Underlying Claim. The failure by the Indemnifying Parties to elect to assume the defense of any such Underlying Claim within such fifteen (15) day period shall entitle the Indemnified Parties to undertake control of the defense of the Underlying Claim on behalf of and for the account and risk of the Indemnifying Parties in such manner as the Indemnified Parties may deem appropriate, including, but not limited to, settling the Underlying Claim. The parties controlling the defense of the Underlying Claim shall not, however, settle or compromise such Underlying Claim without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed. The non-controlling parties shall be entitled to participate in (but not control) the defense of any such action, with their own counsel and at their own expense.

(d) The Indemnifying Parties and the Indemnified Parties will cooperate reasonably, fully and in good faith with each other, at the sole expense of the Indemnifying Parties subject to the last sentence of Section 8.3(c) of this Agreement, in connection with the defense, compromise or settlement of any Underlying Claim including, without limitation, by making available to the other parties all pertinent information and witnesses within their reasonable control.

(e) Basket; Limitations on Indemnification; Calculation of Losses.

(i) Basket. A Buyer Indemnified Party shall not be entitled to make a claim for indemnification for any Losses arising out of Section 8.1 until the aggregate amount of all claims for Losses which arise out of Section 8.1 exceeds ten thousand dollars ($10,000) (the "Basket"). In the event the aggregate amount of such Losses exceeds the Basket, then the Seller shall indemnify such Buyer Indemnified Party with respect to the amount of all Losses exceeding the amount of the Basket.

(ii) Seller's and Parscale Shareholder Cap. The maximum aggregate liability of the Seller and Parscale Shareholder, collectively, under Section 8.1 for all Losses shall be an amount equal to the Purchase Price actually received by such Seller or Parscale Shareholder (the "Seller's Cap").

(iii) Exclusions from the Basket and Seller's Cap. Notwithstanding the foregoing, the following Losses shall not be subject to the provisions of the Basket and the Seller's Cap and a Buyer Indemnified Party shall be entitled to indemnification with respect to such Losses in accordance with this Article 9 as though the Basket and the Seller's Cap were not a part of this Agreement:

(1) Losses relating to, caused by or resulting from the breach of any of the Seller's and/or Parscale Shareholder's representations and warranties as a result of fraud or intentional misrepresentation; and

(2) Losses relating to, caused by or resulting from the breach of any ongoing covenant of the Seller or Parscale Shareholder.

**8.4 Recovery** Losses for which a Buyer Indemnified Party may be entitled to recover pursuant to this Article shall be offset by the pro rata cancellation of Series D Preferred Shares held by the Parscale Shareholder at the rate of $100.00 per share, if any, against any Seller or Parscale Shareholder in accordance with this Section. Except for specific performance and injunctive relief, the indemnification obligations and procedures set forth in this Section shall be the sole and exclusive remedy for liabilities arising out of this Agreement and the transactions contemplated hereby.

**9. Injunctive Relief**.

**9.1 Damages Inadequate**. Each party acknowledges that it would be impossible to measure in money the damages to the other party if there is a failure to comply with any covenants and provisions of this Agreement, and agrees that in the event of any breach of any covenant or provision, the other party to this Agreement will not have an adequate remedy at law.

**9.2 Injunctive Relief**. It is therefore agreed that the other party to this Agreement who is entitled to the benefit of the covenants and provisions of this Agreement which have been breached, in addition to any other rights or remedies which they may have, will be entitled to immediate injunctive relief to enforce such covenants and provisions, and that in the event that any such action or proceeding is brought in equity to enforce them, the defaulting or breaching party will not urge a defense that there is an adequate remedy at law.

**10. Further Assurances**.

Following the Closing, the Parscale Shareholders and Seller shall furnish to Buyer such instruments and other documents as Buyer may reasonably request for the purpose of carrying out or evidencing the transactions contemplated hereby.

**11. Fees and Expenses**.

Each party hereto shall pay all fees, costs and expenses that it incurs in connection with the negotiation and preparation of this Agreement and in carrying out the transactions contemplated hereby (including, without limitation, all fees and expenses of its counsel and accountant).

**12. Waivers**.

If any party at any time waives any rights hereunder resulting from any breach by the other party of any of the provisions of this Agreement, such waiver is not to be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement. Resort to any remedies referred to herein will not be construed as a waiver of any other rights and remedies to which such party is entitled under this Agreement or otherwise.

**13. Successors and Assigns**.

Each covenant and representation of this Agreement will inure to the benefit of and be binding upon each of the Parties, their personal representatives, assigns and other successors in interest.

**14. Entire and Sole Agreement**.

This Agreement constitutes the entire agreement between the Parties and supersedes all other agreements, representations, warranties, statements, promises and undertakings, whether oral or written, with respect to the subject matter of this Agreement. This Agreement may be modified or amended only by a written agreement signed by all Parties to this Agreement. The Parties acknowledge that as of the date of the execution of this Agreement, any and all other agreements, either written or verbal, regarding the substance of this Agreement will be terminated and be of no further force or effect.

**15. Governing Law**.

This Agreement will be governed by the laws of California without giving effect to applicable conflict of law provisions. With respect to any litigation arising out of or relating to this Agreement, each party agrees that it will be filed in and heard by the state or federal courts with jurisdiction to hear such suits located in Santa Barbara County, California.

**16. Counterparts**.

This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts will be deemed to be an original, and such counterparts will constitute but one and the same instrument.

**17. Assignment**.

Except in the case of an affiliate of Buyer, this Agreement may not be assignable by any party without prior written consent of the other Parties.

**18. Remedies**.

Except as otherwise expressly provided herein, none of the remedies set forth in this Agreement are intended to be exclusive, and each party will have all other remedies now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more remedies will not constitute a waiver of the right to pursue other available remedies.

**19. Section Headings**.

The section headings in this Agreement are included for convenience only, are not a part of this Agreement and will not be used in construing it.

**20. Severability**.

In the event that any provision or any part of this Agreement is held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect the validity or enforceability of any other provision or part of this Agreement.

**21. Notices**.

Each notice or other communication hereunder must be in writing and will be deemed to have been duly given on the earlier of (i) the date on which such notice or other communication is actually received by the intended recipient thereof, or (ii) the date five (5) days after the date such notice or other communication is mailed by registered or certified mail (postage prepaid) to the intended recipient at the following address (or at such other address as the intended recipient will have specified in a written notice given to the other Parties hereto):

**If to the Parscale Shareholder and Seller:**

Attn: Bradley J. Parscale
Telephone: 210-262-3200

Facsimile:

With a copy to:

Jeremy R. Sloan
Chunn Price Harris & Sloan
1000 Central Parkway N, suite 100,
San Antonio, TX 78232
Telephone (210) 343.5000
Facsimile (210) 525.0960
email: jsloan@cphattorneys.com

**If to Buyer:**

CloudCommerce, Inc.
1933 Cliff Dr. Suite 1
Santa Barbara, CA 93109
Attention: Andrew Van Noy, CEO
Telephone: 805-964-3313
Facsimile: 805-964-6968

With a copy to:

Sichenzia Ross Ference Kesner LLP
61 Broadway, 32nd floor
New York, NY 10006
Attention: Gregory Sichenzia
Telephone: 212-930-9700
Facsimile: 212-930-9725
Gsichenzia@srfkllp.com

**23. Publicity**.

Except as may be required in order for a party to comply with applicable laws, rules, or regulations or to enable a party to comply with this Agreement, or necessary for Buyer to prepare and disseminate any private or public placements of its securities or to communicate with its stakeholders, no press release, notice to any third party or other publicity concerning the Transaction will be issued, given or otherwise disseminated without the prior approval of each of the Parties hereto.

*[Signatures on following page.]*

**IN WITNESS WHEREOF**, this Agreement has been entered into as of the date first above written.

**Parscale:** **Parscale Creative, Inc.**

By: */s Bradley Parscale*

**Parscale Shareholder:** */s/ Bradley Parscale*

**Company:** **CloudCommerce, Inc.,** a Nevada corporation

By: */s/Andrew Van Noy*
Andrew Van Noy,
Chief Executive Officer

**Merger Sub:** **Parscale Digital, Inc.,** a Nevada corporation

By: */s/ Andrew Van Noy*
Andrew Van Noy,
Chief Executive Officer

**EXHIBIT A**

**Certificate of Merger**

**EXHIBIT B**

**Certificate of Designation**

**EXHIBIT C**

**Disclosure Schedules**

**Exhibit 2.2**

**PURCHASE AGREEMENT**

This Purchase (the "Agreement") is made and entered into as of August 1, 2017 between CloudCommerce, Inc., a Nevada corporation (the "Buyer" or "Company"), and Bradley Parscale, who has a mailing address at 321 6TH ST SAN ANTONIO, TX 78215 ( "Seller"), Parscale Media, LLC ("Parscale" or "Parscale Media"), a limited liability company formed under the laws of Texas. Each of Buyer and Seller are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

**R E C I T A LS**

WHEREAS, Parscale owns 100% of the membership interests of Parscale Media, LLC, a Texas limited liability company ;

WHEREAS, Parscale Media is engaged in the business of cloud hosting services (the "Business");

WHEREAS, Seller and Parscale Media and the Board of Directors of the Company have determined a purchase of Parscale Media by the Buyer is advisable, fair to and in the best interests of their respective companies, members and stockholders and, accordingly, have each approved the sale of Parscale Media to the Company.

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Parties to this Agreement, and in light of the above recitals to this Agreement, the Parties to this Agreement hereby agree as follows:

**1. The Purchase.**

**1.1 The Purchase.** Subject to the terms and conditions of this Agreement, the Buyer shall purchase 100% of the Parscale Media membership interests (the "Membership Interest") from Seller in accordance with applicable provisions of Texas law (the "Transaction").

**1.2 Effective Time.** The sale shall become effective upon the transfer of 100% of the membership interests of Parscale Media. The time at which the Transaction shall become effective as aforesaid is referred to hereinafter as the "Effective Time."

**1.3 Purchase Consideration**. The aggregate consideration to be paid by the Buyer to Parscale in exchange for his membership interests in Parscale Media shall be one million dollars ($1,000,000) paid in cash at Closing (the "Consideration").

**2. Closing and Further Acts**.

**2.1 Time and Place of Closing**. Upon satisfaction or waiver of the conditions set forth in this Agreement, the closing of the Transaction (the "Closing") will take place in Santa Barbara, California at 11:00 a.m. (local time) on the date that the Parties may mutually agree in writing, but in no event later than January 15, 2018 (the "Closing Date"), unless extended by mutual written agreement of the Parties.

**2.2 Actions at Closing**. At the Closing, the following actions will take place:

(a) Buyer will deliver to Seller the Consideration in accordance with written wire instructions provided by the Seller to the Buyer prior to the Closing.

(b) Seller and Parscale Media will deliver to Buyer copies of necessary resolutions of the Board of Managers of Parscale Media authorizing the execution, delivery, and performance of this Agreement and the other agreements contemplated by this Agreement, which resolutions have been certified by an officer of Parscale Media as being valid and in full force and effect.

(e) Buyer will deliver to Parscale Media and Seller copies of corporate resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated by this Agreement, which resolutions have been certified by an officer of Buyer as being valid and in full force and effect.

(e) Seller will deliver to the Buyer true and complete copies of Parscale Media's Articles of Organization and a Certificate of Good Standing from the Secretary of State of Texas, which articles and certificate of good standing are dated not more than five (5) days prior to the Closing Date.

(f) Delivery of any additional documents or instruments as a party may reasonably request or as may be necessary to evidence and effect the Purchase.

**2.3 Actions Pre-Closing**. Seller and Parscale Media will at all times prior to and after the Closing cooperate fully with Buyer and Buyer's officers, directors, representatives, accountants and lawyers to enable Buyer to conduct thorough due diligence of Parscale Media and to enable Parscale Media to prepare and have audited all financial statements deemed necessary by Buyer to comply with all of its reporting obligations with the Securities and Exchange Commission, including without limitation the preparation and filing of its Reports on Form 8-K within four (4) business days after the Closing, without audited financial statements, and to file an amendment to the Form 8-K to include Parscale Media's audited financial statements within seventy-one (71) days after the Closing, subject to the provisions of Section 3.5 of this Agreement.

**2.4 Actions Post Closing**. Parscale Media and Seller will at all times after the Closing cooperate fully with Buyer and Buyer's officers, directors, representatives, accountants and lawyers to complete the preparation and audit of all financial statements of Buyer and Parscale Media deemed necessary or appropriate by Buyer, and to enable Buyer to comply with all of its reporting obligations with the Securities and Exchange Commission.

**2.5 Costs of Financial Audit of Parscale**. Buyer will bear the costs of the audits of Parscale financial statements, except that Seller will reimburse Buyer for the total cost of the audits, as invoiced by the auditor, if any of the following events occur: (i) the audits cannot be completed due to the lack of reasonable cooperation from Seller, Parscale Media's or Parscale Media's personnel, or (ii) the audited financials and records of Parscale Media are, in the opinion of the certified auditors, materially and adversely different than those presented to the Buyer prior to the date of this Agreement, or (iii) Seller refuses to proceed with the Closing and Buyer is ready, willing and able to proceed with the Closing, or Seller or Parscale Media is otherwise in materially breach this Agreement. With the exception of possible audit fee reimbursement, under no circumstances will either Buyer or Seller or Parscale Media be due any termination expenses in connection with this Agreement.

**3. Representations and Warranties of the Parscale Media and Seller**.

Except as set forth on the Disclosure Schedules, attached hereto as Exhibit C, Parscale Media and Seller represent and warrant, jointly and severally, as of the date hereof, to Buyer as follows:

**3.1 Power and Authority; Binding Nature of Agreement**. Parscale Media and Seller have full power and authority to enter into this Agreement and to perform their obligations hereunder. The execution, delivery, and performance of this Agreement by Parscale and Parscale Media have been duly authorized by all necessary action on its part. Assuming that this Agreement is a valid and binding obligation of each of the other Parties hereto, this Agreement is a valid and binding obligation of the Parscale Media and Seller, except as may be limited by bankruptcy, moratorium, insolvency or other similar laws generally affecting the enforcement of creditors' rights, and the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity).

**3.2 Subsidiaries**. There is no corporation, general partnership limited partnership, joint venture, association, trust or other entity or organization that Parscale Media directly or indirectly controls or in which Parscale Media directly or indirectly owns any equity or other interest.

**3.3 Good Standing**. Parscale Media (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, (ii) has all necessary power and authority to own its assets and to conduct its business as it is currently being conducted, and (iii) is duly qualified or licensed to do business and is in good standing in every jurisdiction (both domestic and foreign) where such qualification or licensing is required.

**3.4 Financial Statements**. Parscale Media has delivered to Buyer the following unaudited financial statements, if applicable, prior to the Closing (the "Parscale Financial Statements"): the unaudited statement of operations and balance sheet of Parscale Media for fiscal years 2015, 2016 and 2017 through June 30. Except as stated therein or in the notes thereto, the Parscale Financial Statements: (a) present fairly the financial position of Parscale Media as of the respective dates thereof and the results of operations and changes in financial position of Parscale Media for the respective periods covered thereby; and (b) have been prepared in accordance with Parscale Media's normal business practices applied on a consistent basis throughout the periods covered. Parscale Media and Seller will cooperate with Buyer to prepare the following audited financial statements, if applicable, prior to the Closing (the "Parscale Audited Financial Statements"): (i) the audited statement of operations and statement of cash flows for fiscal years 2015, 2016 and 2017 through June 30. All financial statements shall be prepared in accordance with generally accepted accounting principles.

**3.5 Capitalization**. Seller is the sole record holder and beneficial owner of 100% of the Membership Interest of Parscale Media, free and clear of all liens, (ii), has good and marketable title to the Membership Interest, (iii) has full right, title, power and authority to validly, sell assign, transfer and convey the Membership Interest to the Buyer, and (iv) has not entered into any agreement to sell, hypothecate or otherwise dispose of the Membership Interest to any other person or entity. There are no bonds, debentures, notes or other indebtedness of Parscale Media having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Membership Interests may vote ("Voting Company Debt"). Except as otherwise set forth herein, as of the date of this Agreement, there are no options, warrants, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, contracts, agreements, arrangements or undertakings of any kind to which Parscale Media or Seller is a party or by which Parscale Media or Seller is bound (i) obligating Parscale Media or Seller to issue, deliver or sell, or cause to be issued, delivered or sold, additional membership units or other equity interests in, or any security convertible or exercisable for or exchangeable into any membership units or other equity interest in, Parscale Media or any Voting Company Debt, (ii) obligating Parscale Media or Seller o issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, contract, arrangement or undertaking or (iii) that give any person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of the Membership Interest of Parscale Media.

**3.6 Absence of Changes**. Except as otherwise set forth on Schedule 3.6 hereto or otherwise disclosed to and acknowledged by Buyer in writing prior to the Closing, since inception:

(a) There has not been any material adverse change in the business, condition, assets, operations or prospects of Parscale media and no event has occurred that is reasonably likely to have a material adverse effect on the business, condition, assets, operations or prospects of Parscale Media.

(b) Parscale Media has not repurchased, redeemed or otherwise reacquired any of its membership interests or other securities.

(c) Parscale Media has not sold or otherwise issued any of its membership interests.

(d) Parscale Media has not amended its articles of organization, operating agreement or other charter or organizational documents, nor has it effected or been a party to any merger, recapitalization, reorganization or similar transaction.

(e) Parscale Media has not formed any subsidiary or contributed any funds or other assets to any subsidiary.

(f) Parscale Media has not purchased or otherwise acquired any material assets, nor has it leased any assets from any other person, except in the ordinary course of business consistent with past practice.

(g) Parscale Media has not made any capital expenditure outside the ordinary course of business or inconsistent with past practice.

(h) Parscale Media has not sold or otherwise transferred any material assets to any other person, except in the ordinary course of business consistent with past practice and at a price equal to the fair market value of the assets transferred.

(i) There has not been any material loss, damage or destruction to any of the material properties or Assets of Parscale (whether or not covered by insurance).

(j) Parscale Media has not written off as uncollectible any indebtedness or accounts receivable, except for write offs that were made in the ordinary course of business consistent with past practice.

(k) Parscale Media has not leased any assets to any other person except in the ordinary course of business consistent with past practice and at a rental rate equal to the fair rental value of the leased assets.

(l) Parscale Media has not mortgaged, pledged, hypothecated or otherwise encumbered any assets, except in the ordinary course of business consistent with past practice.

(m) Parscale Media has not entered into any contract, or incurred any debt, liability or other obligation (whether absolute, accrued, contingent or otherwise), except for (i) contracts that were entered into in the ordinary course of business consistent with past practice and that have terms of less than six (6) months and do not contemplate payments by or to Parscale Media which will exceed, over the term of the contract, ten thousand dollars ($10,000) in the aggregate, and (ii) current liabilities incurred in the ordinary course of business consistent with the past practice.

(n) Parscale Media has not made any loan or advance to any other person, except for advances that have been made to customers in the ordinary course of business consistent with past practice and that have been properly reflected as “accounts receivables.”

(o) Other than annual raises or bonuses paid or provided consistent with past business practices not exceeding in the aggregate $2,500, Parscale Media has not paid any bonus to, or increased the amount of the salary, fringe benefits or other compensation or remuneration payable to, any of the managers, officers or employees of Parscale Media.

(p) No contract or other instrument to which Parscale Media is or was a party or by which Parscale Media or any of its assets are or were bound has been amended or terminated, except in the ordinary course of business consistent with past practice.

(q) Parscale Media has not discharged any lien or discharged or paid any indebtedness, liability or other obligation, except for current liabilities that (i) are reflected in the Parscale Financial Statements as of December 31, 2016 or have been incurred since December 31, 2016 in the ordinary course of business consistent with past practice, and (ii) have been discharged or paid in the ordinary course of business consistent with past practice.

(r) Parscale Media has not forgiven any debt or otherwise released or waived any right or claim, except in the ordinary course of business consistent with past practice.

(s) Parscale Media has not changed its methods of accounting or its accounting practices in any respect.

(t) Parscale Media has not entered into any transaction outside the ordinary course of business or inconsistent with past practice.

(u) Parscale Media has not agreed or committed (orally or in writing) to do any of the things described in clauses (b) through (t) of this Section.

**3.7 Absence of Undisclosed Liabilities**. Parscale Media has no debt, liability or other obligation of any nature (whether due or to become due and whether absolute, accrued, contingent or otherwise) that is not reflected or reserved against in the Parscale Financial Statements as of July 31, 2017, except for obligations incurred since inception in the ordinary and usual course of business consistent with past practice.

**3.8 Parscale Assets**.

(a) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in a breach of the terms and conditions of, or result in a loss of rights under, or result in the creation of any lien, charge or encumbrance upon, any of Parscale Media's (the "Assets").

(b) Parscale Media has good and marketable title to the Assets, free and clear of all mortgages, liens, leases, pledges, charges, encumbrances, equities or claims.

(c) Except as reflected in the Parscale Financial Statements, the Assets are not subject to any material liability, absolute or contingent.

(d) Parscale Media has provided to Buyer in writing an accurate description of all of the assets of Parscale Media or used in the business of Parscale Media.

(e) Parscale Media has provided to Buyer in writing a list of all contracts, agreements, licenses, leases, arrangements, commitments and other undertakings to which Parscale Media is a party or by which it or its property is bound. Except as specified by Parscale Media to and acknowledged by Buyer, all of such contracts, agreements, leases, licenses and commitments are valid, binding and in full force and effect. As soon as practicable after the execution of this Agreement by all Parties, Parscale Media will provide Buyer with copies of all such documents for Buyer's review.

**3.9 Compliance with Laws; Licenses and Permits**. Parscale Media is not in violation of, nor has it failed to conduct its business in material compliance with, any applicable federal, state, local or foreign laws, regulations, rules, treaties, rulings, orders, directives or decrees. Parscale Media has delivered to Buyer a complete and accurate list and provided Buyer with the right to inspect true and complete copies of all of the licenses, permits, authorizations and franchises to which Parscale Media is subject and all said licenses, permits, authorizations and franchises are valid and in full force and effect. Said licenses, permits, authorizations and franchises constitute all of the licenses, permits, authorizations and franchises reasonably necessary to permit Parscale Media to conduct its business in the manner in which it is now being conducted, and Parscale Media is not in violation or breach of any of the terms, requirements or conditions of any of said licenses, permits, authorizations or franchises.

**3.10 Taxes**. Except as disclosed herein, Parscale Media has accurately and completely filed with the appropriate United States state, local and foreign governmental agencies all tax returns and reports required to be filed (subject to permitted extensions applicable to such filings), and has paid or accrued in full all taxes, duties, charges, withholding obligations and other governmental liabilities as well as any interest, penalties, assessments or deficiencies, if any, due to, or claimed to be due by, any governmental authority (including taxes on properties, income, franchises, licenses, sales and payroll). (All such items are collectively referred to herein as "Taxes"). The Parscale Financial Statements fully accrue or reserve all current and deferred taxes. Parscale Media is not a party to any pending action or proceeding, nor is any such action or proceeding threatened by any governmental authority for the assessment or collection of Taxes. No liability for taxes has been incurred other than in the ordinary course of business. There are no liens for Taxes except for liens for property taxes not yet delinquent. Parscale Media is not a party to any Tax sharing, Tax allocation, Tax indemnity or statute of limitations extension or waiver agreement and in the past year has not been included on any consolidated combined or unitary return with any entity other than Parscale Media. Parscale Media has duly withheld from each payment made to each person from whom such withholding is required by law the amount of all Taxes or other sums (including but not limited to United States federal income taxes, any applicable state or municipal income tax, disability tax, unemployment insurance contribution and Federal Insurance Contribution Act taxes) required to be withheld therefore and has paid the same to the proper tax authorities prior to the due date thereof. To the extent any Taxes withheld by Parscale Media have not been paid as of the Closing Date because such Taxes were not yet due, such Taxes will be paid to the proper tax authorities in a timely manner. All Tax returns filed by Parscale Media are accurate and comply with and were prepared in accordance with applicable statutes and regulations. Seller will cause Parscale Media to prepare and file all Tax returns and pay all Taxes required prior to the Closing. Such Tax returns will be subject to review and approval by Buyer, which approval will not be unreasonably withheld.

**3.11 Environmental Compliance Matters**. Parscale Media has at all relevant times with respect to the Business or otherwise been in material compliance with all environmental laws, and has received no potentially responsible party notices or similar notices from any governmental agencies or private parties concerning releases or threatened releases of any "hazardous substance" as that term is defined under 42 U.S.C. 960(1) (14).

**3.12 Compensation**. Parscale Media has provided Buyer with a full and complete list of all officers, directors, employees and consultants of Parscale Media as of the date hereof, specifying their names and job designations, their respective current wages, salaries or other forms of direct compensation, and the basis of such compensation, whether fixed or commission or a combination thereof.

**3.13 No Default**.

(a) Each of the contracts, agreements or other instruments of Parscale Media and each of the standard Customer Agreements or contracts of Parscale Media is a legal, binding and enforceable obligation by or against Parscale Media, subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium or other similar federal or state laws affecting the rights of creditors and the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity). To the knowledge of Seller, no party with whom Parscale Media has an agreement or contract is in default there under or has breached any terms or provisions thereof which is material to the conduct of Parscale Media's business.

(b) Parscale Media has performed or is now performing the obligations of, and Parscale is not in material default (or would by the elapse of time and/or the giving of notice be in material default) in respect of, any contract, agreement or commitment binding upon it or its assets or properties and material to the conduct of its business. No third party has raised any claim, dispute or controversy with respect to any of the executed contracts of Parscale Media, nor has Parscale Media received notice of warning of alleged nonperformance, delay in delivery or other noncompliance by Parscale with respect to its obligations under any of those contracts, nor are there any facts which exist indicating that any of those contracts may be totally or partially terminated or suspended by the other Parties thereto.

**3.14 Product Warranties**. Except as otherwise disclosed to and acknowledged by Buyer in the form of a written disclosure schedule prior to the Closing and for warranties under applicable law, (a) there are no warranties, express or implied, written or oral, with respect to the products or projects of Parscale Media, (b) there are no pending or threatened claims with respect to any such warranty and (c) Parscale Media has no, and after the Closing Date, will have no, liability with respect to any such warranty, whether known or unknown, absolute, accrued, contingent, or otherwise and whether due or to become due, other than customary returns in the ordinary course of business that are fully reserved against in the Parscale Financial Statements.

**3.15 Proprietary Rights**.

(a) Parscale Media has provided Buyer in writing a complete and accurate list and provided Buyer with the right to inspect true and complete copies of all software, patents and applications for patents, trademarks, trade names, service marks, and copyrights, and applications therefore, owned or used by Parscale Media or in which it has any rights or licenses, except for software used by Parscale Media and generally available on the commercial market. Parscale Media has provided Buyer with a complete and accurate description of all agreements or provided Buyer with the right to inspect true and complete copies of all agreements of Parscale Media with each officer, employee or consultant of Parscale Media providing Parscale Media with title and ownership to patents, patent applications, trade secrets and inventions developed or used by Parscale Media in its business. All of such agreements are valid, enforceable and legally binding, subject to the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity).

(b) Parscale Media owns or possesses licenses or other rights to use all computer software, software programs, patents, patent applications,trademarks, trademark applications, trade secrets, service marks, trade names, copyrights, inventions, drawings, designs, customer lists, propriety know-how or information, or other rights with respect thereto (collectively referred to as "Proprietary Rights"), used in the business of Parscale Media, and the same are sufficient to conduct Parscale Media's business as it has been and is now being conducted.

(c) The operations of Parscale Media do not conflict with or infringe, and no one has asserted to Parscale that such operations conflict with or infringe on any Proprietary Rights owned, possessed or used by any third party. There are no claims, disputes, actions, proceedings, suits or appeal pending against Parscale Media with respect to any Proprietary Rights, and none has been threatened against Parscale Media. There are no facts or alleged fact which would reasonably serve as a basis for any claim that Parscale Media does not have the right to use, free of any rights or claims of others, all Proprietary Rights in the development, manufacture, use, sale or other disposition of any or all products or services presently being used, furnished or sold in the conduct of the business of Parscale Media as it has been and is now being conducted.

(d) To the knowledge of Seller, no current employee of Parscale Media is in violation of any term of any employment contract, proprietary information and inventions agreement, non-competition agreement, or any other contract or agreement relating to the relationship of any such employee with Parscale Media or any previous employer.

**3.16 Insurance**. Parscale Media has provided Buyer with complete and accurate copies of all policies of insurance and provided Buyer with the right to inspect true and complete copies of all policies of insurance to which Parscale Media is a party or is a beneficiary or named insured as of the Closing Date. Parscale Media has in full force and effect, with all premiums due thereon paid the policies of insurance set forth therein. There were no claims in excess of $10,000 asserted or currently outstanding under any of the insurance policies of Parscale in respect of all motor vehicle, general liability, since inception.

**3.17 Labor Relations**. None of the employees of Parscale Media are represented by any union or are parties to any collective bargaining arrangement, and, to the knowledge of Seller, no attempts are being made to organize or unionize any of Parscale Media's employees. Except as disclosed in writing to Buyer prior to the Closing, to the knowledge of Seller, there is not presently pending or existing, and there is not presently threatened, any material (a) strike, slowdown, picketing, work stoppage or employee grievance process, or (b) action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) against or affecting Parscale Media relating to the alleged violation of any legal requirement pertaining to labor relations or employment matters. Parscale Media is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, wages and hours, occupational safety and health and is not engaged in any unfair labor practices. Parscale Media is in compliance with the Immigration Reform and Control Act of 1986. Except as disclosed in Schedule 3.17, Parscale Media has no employment agreements.

**3.18 Condition of Premises**. All real property leased by Parscale Media is in good condition and repair, ordinary wear and tear excepted.

**3.19 No Distributor Agreements**. Except as disclosed to and acknowledged by Buyer in writing prior to the Closing, Parscale Media is not a party to, nor is the property of Parscale Media bound by, any distributors' or manufacturer's representative or agency agreement.

**3.20 Conflict of Interest Transactions**. No past or present member, manager, director, officer or employee of Parscale or any of their affiliates (i) is indebted to, or has any financial, business or contractual relationship or arrangement with Parscale Media, or (ii) has any direct or indirect interest in any property, asset or right which is owned or used by Parscale or pertains to the business of Parscale Media with the exception of outstanding member loans which will be satisfied and discharged in full prior to the Closing Date.

**3.21 Litigation**. There is no action, suit, proceeding, dispute, litigation, claim, complaint or, to the knowledge of Seller, investigation by or before any court, tribunal, governmental body, governmental agency or arbitrator pending or threatened against or with respect to Parscale Media which (i) if adversely determined would have a material adverse effect on the business, condition, assets, operations or prospects of Parscale, or (ii) challenges or would challenge any of the actions required to be taken by Parscale under this Agreement. There exists no basis for any such action, suit, proceeding, dispute, litigation, claim, complaint or investigation.

**3.22 Non-Contravention**. Neither (a) the execution and delivery of this Agreement, nor (b) the performance of this Agreement will: (i) contravene or result in a violation of any of the provisions of the organizational documents of Parscale; (ii) contravene or result in a violation of any resolution adopted by the members or directors of Parscale Media; (iii) result in a violation or breach of, or give any person the right to declare (whether with or without notice or lapse of time) a default under or to terminate, any material agreement or other instrument to which Parscale Media is a party or by which Parscale Media or any of its assets are bound; (iv) give any person the right to accelerate the maturity of any indebtedness or other obligation of Parscale Media; (v) result in the loss of any license or other contractual right of Parscale Media; (vi) result in the loss of, or in a violation of any of the terms, provisions or conditions of, any governmental license, permit, authorization or franchise of Parscale Media; (vii) result in the creation or imposition of any lien, charge, encumbrance or restriction on any of the assets of Parscale Media; (viii) result in the reassessment or revaluation of any property of Parscale by any taxing authority or other governmental authority; (ix) result in the imposition of, or subject Parscale Media to any liability for, any conveyance or transfer tax or any similar tax; or (x) result in a violation of any law, rule, regulation, treaty, ruling, directive, order, arbitration award, judgment or decree to which Parscale or any of its assets or any limited liability interests are subject.

**3.23 Approvals**. Parscale Media has provided Buyer with a complete and accurate list of all jurisdictions in which Parscale Media is authorized to do business along with the documentation evidencing such authorization. No authorization, consent or approval of, or registration or filing with, any governmental authority is required to be obtained or made by Parscale in connection with the execution, delivery or performance of this Agreement, including the conveyance to Buyer of the Business.

**3.24 Brokers**. Parscale Media has not agreed to pay any brokerage fees, finder's fees or other fees or commissions with respect to the Transaction, and no person is entitled, or intends to claim that it is entitled, to receive any such fees or commissions in connection with such transaction.

**3.25 Special Government Liabilities.** Parscale Media has no existing or pending liabilities, obligations or deferred payments due to any federal, state or local government agency or entity in connection with its business or with any program sponsored or funded in whole or in part by any federal, state or local government agency or entity, nor are the Parscale Media or Seller aware of any threatened action or claim or any condition that could support an action or claim against Parscale or the Business for any of said liabilities, obligations or deferred payments.

**3.26 Revenue and Net Income.** Parscale's revenue in the last two fiscal years was approximately $550,000. Parscale's net income in the last two fiscal years was approximately $250,000.

**3.27 Net Working Capital**. Immediately prior to the Closing, Parscale Media's Working Capital, as hereinafter defined, shall be not less twenty five thousand dollars ($25,000.00). Specifically, there shall not be less than five thousand dollars ($5,000.00) of cash or cash equivalent in Parscale's Working Capital. For purposes of this Section 4.27:

i. "Current Assets" means the current assets of Seller as determined in accordance with U.S. generally accepted accounting principles.

ii. "Current Liabilities" means the current Liabilities of Seller as determined in accordance with U.S. generally accepted accounting principles.

iii. "Working Capital" means an amount equal to (a) the amount of the Current Assets, minus (b) the amount of the Current Liabilities.

**3.28 Full Disclosure**. Neither this Agreement (including the exhibits hereto) nor any statement, certificate or other document delivered to Buyer by or on behalf of Parscale contains any untrue statement of a material fact or omits to state a material fact necessary to make the representations and other statements contained herein and therein not misleading.

**3.29 Tax Advice**. Parscale Media and Seller hereby represent and warrant that they have sought their own independent tax advice regarding the Transaction and neither the Parscale Media nor Seller have relied on any representation or statement made by Buyer or their representatives regarding the tax implications of such transactions.

**3.9 Conduct of Business Prior to the Closing**. From the date hereof until the Closing Date, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Parscale Media shall (a) conduct the Business in the ordinary course of business; and (b) use commercially reasonable efforts to maintain and preserve intact its current Business organization, operations and franchise and to preserve the rights, franchises, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the Business. From the date hereof until the Closing, except as consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall not take any action that would cause any of the changes, events or conditions described in Section 3.6 to occur.

**3.10 Access to Information**. From the date hereof until the Closing, Seller and Parscale Media shall (a) afford Buyer and its representatives reasonable access to and the right to inspect all of the real property, properties, assets, premises, books and records, contracts and other documents and data related to the Business; (b) furnish Buyer and its representatives with such financial, operating and other data and information related to the Business as Buyer or any of its representatives may reasonably request; and (c) instruct the representatives of Seller to cooperate with Buyer in its investigation of the Business; *provided, however,* that any such investigation shall be conducted during normal business hours upon reasonable advance notice to Seller, under the supervision of Seller's personnel and in such a manner as not to interfere with the conduct of the Business or any other businesses of Seller. Notwithstanding anything to the contrary in this Agreement, Seller shall not be required to disclose any information to Buyer if such disclosure would, in Seller's sole discretion: (x) cause significant competitive harm to Seller and its businesses, including the Business, if the transactions contemplated by this Agreement are not consummated; (y) jeopardize any attorney-client or other privilege; or (z) contravene any applicable law, fiduciary duty or binding agreement entered into prior to the date of this Agreement. Prior to the Closing, without the prior written consent of Seller, which may be withheld for any reason, Buyer shall not contact any suppliers to, or customers of the Business.

**4. Representations and Warranties of Buyer.**

Buyer represents and warrants to Seller as follows:

**4.1 Power and Authority; Binding Nature of Agreement**. Buyer has full power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary action on its part. Assuming that this Agreement is a valid and binding obligation of the other party hereto, this Agreement is a valid and binding obligation of Buyer.

**4.2 Approvals**. No authorization, consent or approval of, or registration or filing with, any governmental authority or any other person is required to be obtained or made by Buyer in connection with the execution, delivery or performance of this Agreement or than such filings as may be required under applicable securities laws, rules and regulations.

**4.3 Good Standing**. Buyer (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, (ii) has all necessary power and authority to own its assets and to conduct its business as it is currently being conducted, (iii) is duly qualified or licensed to do business and is in good standing in every jurisdiction (both domestic and foreign) where such qualification or licensing is required, (iv) has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder; (v)

**4.4 Authority.** The execution of this Agreement by the individual whose signature is set forth at the end of this Agreement, and the delivery of this Agreement by Buyer, have been duly authorized by all necessary corporate action on the part of Buyer;

**4.5 Representations True on Closing Date**. The representations and warranties of Buyer set forth in this Agreement are true and correct on the date hereof, and will be true and correct on the Closing Date as though such representations and warranties were made as of the Closing Date.

**4.6 Non-Contravention**. The execution, delivery and performance of this Agreement by Buyer will not violate, conflict with, require consent under or result in any breach or default under (i) any of Buyer's organizational documents (including its Certificate of Incorporation and By-laws), (ii) any applicable Law or (iii) with or without notice or lapse of time or both, the provisions of any material contract or agreement to which Buyer is a party or to which any of its material assets are bound (the "Buyer Contracts").

**4.7 Material Compliance**. Buyer is in material compliance with all applicable Laws and Buyer Contracts relating to this Agreement, and the operation of its business.

**4.8 Full Disclosure**. Neither this Agreement (including the exhibits hereto) nor any statement, certificate or other document delivered to Seller by or on behalf of Buyer contains any untrue statement of a material fact or omits to state a material fact necessary to make the representations and other statements contained herein and therein not misleading.

**5. Conditions to Closing.**

**5.1 Conditions Precedent to Buyer's Obligation to Close**. Buyer's obligation to close the transaction as contemplated in this Agreement is conditioned upon the occurrence or waiver by Buyer of the following:

(a) Seller has delivered an updated list of assets and liabilities of Parscale Media that is accurate and complete as of not more than five (5) business days prior to the Closing.

(b) All representations and warranties by the Seller and or Parscale Media made in this Agreement or in any exhibit or schedule hereto delivered by the Seller shall be true and correct as of the Closing Date with the same force and effect as if made on and as of that date and Buyer shall in its sole discretion be satisfied with such representations and exceptions in such representation and/or as set forth on any exhibit or schedule hereto.

(c) The Seller shall have performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing Date.

(d) Buyer must be satisfied in its sole and absolute discretion with its due diligence of Parscale Media.

(e) Buyer shall have received a report from the Secretary of State of Texas showing the existence or absence of liens, financing statements and other encumbrances recorded against any of the Assets, dated not more than five (5) days prior to the Closing, and such report shall be satisfactory to Buyer in its sole and absolute discretion.

**5.2 Conditions Precedent to the Buyer's and Seller's Obligation to Close** The Seller's obligation to close the transaction as contemplated in this Agreement is conditioned upon the occurrence or waiver by the Seller of the following:

(a) All representations and warranties of Buyer made in this Agreement or in any exhibit hereto delivered by Buyer shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of that date.

(b) Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing Date.

**6. Survival of Representations and Warranties**.

All representations and warranties made by each of the Parties hereto will survive the Closing for eighteen (18) months after the Closing Date, or longer if expressly and specifically provided in the Agreement. Seller and Parscale Media will have joint and several liability under this Agreement, except for the covenant not to compete in Section 2.1 of this Agreement or where otherwise expressly and specifically provided in this Agreement.

**7. Indemnification**.

**7.1 Indemnification by Parscale Media and Seller**. Parscale Media and Seller agree to indemnify, defend and hold harmless Buyer and its affiliates against any and all claims, demands, losses, costs, expenses, obligations, liabilities and damages, including interest, penalties and reasonable attorney's fees and costs ("Losses"), incurred by Buyer or any of its affiliates arising, resulting from, or relating to any and all liabilities of Parscale Media incurred prior to the Closing Date or relating to the Assets prior the Closing Date, any misrepresentation of a material fact or omission to disclose a material fact made by Parscale Media or Seller in this Agreement, in any exhibits or schedules to this Agreement or in any other document furnished or to be furnished by Parscale Media or Seller under this Agreement, or any breach of, or failure by the Parscale Media or Seller to perform, any of their representations, warranties, covenants or agreements in this Agreement or in any exhibit or other document furnished or to be furnished by the Parscale or Seller under this Agreement. Notwithstanding anything to the contrary herein, the maximum aggregate liability of Parscale Media and the Seller pursuant to this Section shall be no more than $50,000.

**7.2 Indemnification by Buyer**. Buyer agrees to indemnify, defend and hold harmless the Seller arising, resulting from, or relating to any misrepresentation of a material fact or omission to disclose a material fact made by the Buyer in this Agreement, in any exhibits to this Agreement or in any other document furnished or to be furnished by the Buyer to the Seller under this Agreement, or any material breach of, or failure by Buyer to perform, any of its representations, warranties, covenants or agreements in this Agreement or in any exhibit or other document furnished or to be furnished by Buyer under this Agreement provided however and notwithstanding anything to the contrary herein, the maximum aggregate liability of the Buyer pursuant to this Section shall be no more than $50,000.

**7.3 Procedure for Indemnification Claims**.

(a) Whenever any parties become aware that a claim (an "Underlying Claim") has arisen entitling them to seek indemnification under Section 7 of this Agreement, such parties (the "Indemnified Parties") shall promptly send a notice ("Notice") to the parties liable for such indemnification (the "Indemnifying Parties") of the right to indemnification (the "Indemnity Claim"); provided, however, that the failure to so notify the Indemnifying Parties will relieve the Indemnifying Parties from liability under this Agreement with respect to such Indemnity Claim only if, and only to the extent that, such failure to notify the Indemnifying Parties results in the forfeiture by the Indemnifying Parties of rights and defenses otherwise available to the Indemnifying Parties with respect to the Underlying Claim. Any Notice pursuant to this Section 73(a) shall set forth in reasonable detail, to the extent then available, the basis for such Indemnity Claim and an estimate of the amount of damages arising therefore.

(b) If an Indemnity Claim does not result from or arise in connection with any Underlying Claim or legal proceedings by a third party, the Indemnifying Parties will have thirty (30) calendar days following receipt of the Notice to issue a written response to the Indemnified Parties, indicating the Indemnifying Parties' intention to either (i) contest the Indemnity Claim or (ii) accept the Indemnity Claim as valid. The Indemnifying Parties' failure to provide such a written response within such thirty (30) day period shall be deemed to be an acceptance of the Indemnity Claim as valid. In the event that an Indemnity Claim is accepted as valid, the Indemnifying Parties shall, within fifteen (15) business days thereafter, pay Losses incurred by the Indemnified Parties in respect of the Underlying Claim in cash by wire transfer of immediately available funds to the account or accounts specified by the Indemnified Parties. To the extent appropriate, payments for indemnifiable Losses made pursuant to this Agreement will be treated as adjustments to the Consideration.

(c) In the event an Indemnity Claim results from or arises in connection with any Underlying Claim or legal proceedings by a third party, the Indemnifying Parties shall have fifteen (15) calendar days following receipt of the Notice to send a Notice to the Indemnified Parties of their election to, at their sole cost and expense, assume the defense of any such Underlying Claim or legal proceeding; provided that such Notice of election shall contain a confirmation by the Indemnifying Parties of their obligation to hold harmless the Indemnified Parties with respect to Losses arising from such Underlying Claim. The failure by the Indemnifying Parties to elect to assume the defense of any such Underlying Claim within such fifteen (15) day period shall entitle the Indemnified Parties to undertake control of the defense of the Underlying Claim on behalf of and for the account and risk of the Indemnifying Parties in such manner as the Indemnified Parties may deem appropriate, including, but not limited to, settling the Underlying Claim. The parties controlling the defense of the Underlying Claim shall not, however, settle or compromise such Underlying Claim without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed. The non-controlling parties shall be entitled to participate in (but not control) the defense of any such action, with their own counsel and at their own expense.

(d) The Indemnifying Parties and the Indemnified Parties will cooperate reasonably, fully and in good faith with each other, at the sole expense of the Indemnifying Parties subject to the last sentence of Section 7.3(c) of this Agreement, in connection with the defense, compromise or settlement of any Underlying Claim including, without limitation, by making available to the other parties all pertinent information and witnesses within their reasonable control.

(e) Basket; Limitations on Indemnification; Calculation of Losses.

(i) Basket. A Buyer Indemnified Party shall not be entitled to make a claim for indemnification for any Losses arising out of Section 7.1 until the aggregate amount of all claims for Losses which arise out of Section 7.1 exceeds ten thousand dollars ($10,000) (the "Basket"). In the event the aggregate amount of such Losses exceeds the Basket, then the Seller shall indemnify such Buyer Indemnified Party with respect to the amount of all Losses exceeding the amount of the Basket.

(ii) Seller's and Parscale Media Cap. The maximum aggregate liability of the Seller and Parscale Media, collectively, under this Section for all Losses shall be an amount equal to the Consideration (the "Seller's Cap").

(iii) Exclusions from the Basket and Seller's Cap. Notwithstanding the foregoing, the following Losses shall not be subject to the provisions of the Basket and the Seller's Cap and a Buyer Indemnified Party shall be entitled to indemnification with respect to such Losses in accordance with this Article as though the Basket and the Seller's Cap were not a part of this Agreement:

(1) Losses relating to, caused by or resulting from the breach of any of the Seller's and/or Parscale Media's representations and warranties as a result of fraud or intentional misrepresentation; and

(2) Losses relating to, caused by or resulting from the breach of any ongoing covenant of the Seller or Parscale Media.

**8. Injunctive Relief**.

**8.1 Damages Inadequate**. Each party acknowledges that it would be impossible to measure in money the damages to the other party if there is a failure to comply with any covenants and provisions of this Agreement, and agrees that in the event of any breach of any covenant or provision, the other party to this Agreement will not have an adequate remedy at law.

**8.2 Injunctive Relief**. It is therefore agreed that the other party to this Agreement who is entitled to the benefit of the covenants and provisions of this Agreement which have been breached, in addition to any other rights or remedies which they may have, will be entitled to immediate injunctive relief to enforce such covenants and provisions, and that in the event that any such action or proceeding is brought in equity to enforce them, the defaulting or breaching party will not urge a defense that there is an adequate remedy at law.

**9. Further Assurances**.

Following the Closing, Parscale and Seller shall furnish to Buyer such instruments and other documents as Buyer may reasonably request for the purpose of carrying out or evidencing the transactions contemplated hereby.

**10. Fees and Expenses**.

Each party hereto shall pay all fees, costs and expenses that it incurs in connection with the negotiation and preparation of this Agreement and in carrying out the transactions contemplated hereby (including, without limitation, all fees and expenses of its counsel and accountant).

**11. Waivers**.

If any party at any time waives any rights hereunder resulting from any breach by the other party of any of the provisions of this Agreement, such waiver is not to be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement. Resort to any remedies referred to herein will not be construed as a waiver of any other rights and remedies to which such party is entitled under this Agreement or otherwise.

**12. Successors and Assigns**.

Each covenant and representation of this Agreement will inure to the benefit of and be binding upon each of the Parties, their personal representatives, assigns and other successors in interest.

**13. Entire and Sole Agreement**.

This Agreement constitutes the entire agreement between the Parties and supersedes all other agreements, representations, warranties, statements, promises and undertakings, whether oral or written, with respect to the subject matter of this Agreement. This Agreement may be modified or amended only by a written agreement signed by all Parties to this Agreement. The Parties acknowledge that as of the date of the execution of this Agreement, any and all other agreements, either written or verbal, regarding the substance of this Agreement will be terminated and be of no further force or effect.

**14. Governing Law**.

This Agreement will be governed by the laws of California without giving effect to applicable conflict of law provisions. With respect to any litigation arising out of or relating to this Agreement, each party agrees that it will be filed in and heard by the state or federal courts with jurisdiction to hear such suits located in Santa Barbara County, California.

**15. Counterparts**.

This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts will be deemed to be an original, and such counterparts will constitute but one and the same instrument.

**16. Assignment**.

Except in the case of an affiliate of Buyer, this Agreement may not be assignable by any party without prior written consent of the other Parties.

**17. Remedies**.

Except as otherwise expressly provided herein, none of the remedies set forth in this Agreement are intended to be exclusive, and each party will have all other remedies now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more remedies will not constitute a waiver of the right to pursue other available remedies.

**18. Section Headings**.

The section headings in this Agreement are included for convenience only, are not a part of this Agreement and will not be used in construing it.

**19. Severability**.

In the event that any provision or any part of this Agreement is held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect the validity or enforceability of any other provision or part of this Agreement.

**20. Notices**.

Each notice or other communication hereunder must be in writing and will be deemed to have been duly given on the earlier of (i) the date on which such notice or other communication is actually received by the intended recipient thereof, or (ii) the date five (5) days after the date such notice or other communication is mailed by registered or certified mail (postage prepaid) to the intended recipient at the following address (or at such other address as the intended recipient will have specified in a written notice given to the other Parties hereto):

**If to Seller:**

Attn: Bradley J. Parscale
Telephone: 210-262-3200

Facsimile:

With a copy to:

Jeremy R. Sloan
Chunn Price Harris & Sloan
1000 Central Parkway N, suite 100,
San Antonio, TX 78232
Telephone (210) 343.5000
Facsimile (210) 525.0960
email: jsloan@cphattorneys.com

**If to Buyer:**

CloudCommerce, Inc.
1933 Cliff Dr. Suite 1
Santa Barbara, CA 93109
Attention: Andrew Van Noy, CEO
Telephone: 805-964-3313
Facsimile: 805-964-6968

With a copy to:

Sichenzia Ross Ference Kesner LLP
61 Broadway, 32nd floor
New York, NY 10006
Attention: Gregory Sichenzia
Telephone: 212-930-9700
Facsimile: 212-930-9725
gsichenzia@srfkllp.com

**21. Publicity**.

Except as may be required in order for a party to comply with applicable laws, rules, or regulations or to enable a party to comply with this Agreement, or necessary for Buyer to prepare and disseminate any private or public placements of its securities or to communicate with its stakeholders, no press release, notice to any third party or other publicity concerning the Transaction will be issued, given or otherwise disseminated without the prior approval of each of the Parties hereto.

*[Signatures on following page.]*

**IN WITNESS WHEREOF**, this Agreement has been entered into as of the date first above written.

**Seller ("Parscale"):**

**Bradley Parscale**

*/s/ Bradley Parscale*

**Buyer ("Company"):**

**CloudCommerce, Inc.,** a Nevada corporation

By: */s/ Andrew Van Noy*
Andrew Van Noy,
Chief Executive Officer

**Parscale Media, LLC.**

**By:** */s/Bradley Parscale*
**(Name)**
**(Title)**

**EXHIBIT A**

**Disclosure Schedules**

**Exhibit 3.1**

**CLOUDCOMMERCE, INC.**

**CERTIFICATE OF DESIGNATION OF PREFERENCES,
RIGHTS AND LIMITATIONS OF
SERIES D PREFERRED STOCK**

**Pursuant to Section 78.1955 of the**

**Nevada Revised Statutes**

The undersigned, Andrew Van Noy, does hereby certify that:

1. He is the President and Chief Executive Officer, of CloudCommerce, Inc., a Nevada corporation (the "Corporation" or the "Company").

2. The Corporation is authorized to issue 5,000,000 shares of preferred stock, par value $0.001, of which 10,000 shave been designated Series A Preferred Stock, 25,000 have been designated as Series B Preferred Stock and 25,000 have been designated as Series C Preferred Stock.

3. The following resolutions were duly adopted by the board of directors of the Corporation (the "Board of Directors"):

WHEREAS, the Articles of Incorporation of the Corporation provides for a class of its authorized stock known as preferred stock, consisting of 5,000,000 shares, $0.001 par value per share, issuable from time to time in one or more series;

WHEREAS, the Board of Directors is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of preferred stock and the number of shares constituting any Series D and the designation thereof, of any of them; and

WHEREAS, it is the desire of the Board of Directors, pursuant to its authority as aforesaid, to fix the rights, preferences, restrictions and other matters relating to a series of the preferred stock, which shall consist of up to 90,000 shares of the preferred stock which the Corporation has the authority to issue, as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby provide for the issuance of a series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and determine the rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

**TERMS OF PREFERRED STOCK**

This series of the Corporation's Preferred Stock shall be designated "Series D Preferred Stock". The number of shares constituting the Series D Preferred Stock shall be Ninety Thousand (90,000) shares. The total face value of this entire series is Nine Million Dollars ($9,000,000). Each share of Series D Preferred Stock shall have a stated face value of One Hundred dollars ($100) (the "Stated Value"). Each one (1) share of Series D Preferred Stock is convertible into Two Thousand Five Hundred (2,500) shares of Common Stock of the Corporation, as adjusted in accordance with Section 3 below (the "Conversion Ratio"). The Series D Preferred Stock shall have the rights, preferences and privileges set forth below.

**Section 1. Dividends.** Each share of outstanding Series D Preferred Stock shall be entitled to receive a dividend, paid quarterly, out of any assets of the Corporation legally available therefore, at the amount equal to: (1/90,000) x (5% of the Adjusted Gross Revenue) of the Corporation's subsidiary, Parscale Digital, Inc. (the "Subject Subsidiary"), a wholly owned subsidiary of the Corporation. Adjusted Gross Revenue, shall mean the top line gross revenue of Subject Subsidiary, as calculated under GAAP (generally accepted accounting principles) less any reselling revenue attributed to third party advertising products or service, such as, but not limited to, search engine keyword campaign fees, social media campaign fees, radio or television advertising fees, and the like. The dividends shall be paid based on the quarterly reviewed, or annually audited financial statements of Subject Subsidiary's by the Corporation's independent audit firm. Notwithstanding anything to the contrary herein, the dividends provided for in this Section are junior to the Company's outstanding shares of Series A, B, and C preferred stock and no dividends will be paid pursuant to this Section unless any required dividends are paid to the outstanding Series A, B, and/or C preferred stock

If the Board of Directors shall elect to make further distribution of dividends after all dividends on the Series D Preferred Stock, as required by this Section 1, shall have been paid or declared and set apart for payment to holders of the Series D Preferred Stock, such dividends shall be made equally to all outstanding shares, preferred and common on an as-if converted basis.

**Section 2. Liquidation Preference.** In the event of any liquidation, dissolution or winding up of the Corporation, either voluntarily or involuntarily (a "Liquidation Event"), the holder of each outstanding share of the Series D Preferred Stock shall be entitled to receive, out of the assets of the Corporation available for distribution to its shareholders upon such liquidation, whether such assets are capital or surplus of any nature, an amount equal to the Stated Value for each such share of the Series D Preferred Stock (as adjusted for any combinations, consolidations, stock distributions or stock dividends with respect to such shares), plus all dividends, if any, declared and unpaid thereon as of the date of such distribution, before any payment shall be made or any assets distributed to the holders of the Common Stock. For avoidance of doubt, the Series D Preferred Stock shall be junior in liquidation to the Company's outstanding Series A, B and C preferred stock and as such no amounts will be paid to the Series D Preferred Stock pursuant to this Section unless any required amounts to be paid in the event of a Liquidation Event are paid to the outstanding Series A, B and C preferred stock

If the assets to be distributed pursuant to Section 2 above to the holders of the Series D Preferred Stock shall be insufficient to permit the receipt by such holders of the full preferential amounts aforesaid, then all such assets shall be distributed among such holders of Series D Preferred Stock ratably in accordance with the number of such shares held by each such holder.

**Section 3. Conversion.** The Series D Preferred Stock shall be subject to conversion into Common Stock upon the following terms and conditions:

(a) Timing of Conversion. The shares of Series D Preferred Stock held by any holder may be converted into shares of the Corporation's Common Stock at any time upon ninety (90) days' written notice from the holder of the shares to be converted to the Company.

(b) Mechanics of Conversion. As a condition to any conversion of shares of the Series D Preferred Stock pursuant to Section 3(a) above, the holder of the shares to be converted shall surrender the certificate or certificates therefor, duly endorsed, at the principal office of the Corporation or of any transfer agent for such stock, and shall deliver a written notice to the Secretary of the Corporation at the Corporation's principal office stating the number of such shares of the Series D Preferred Stock to be converted (the "Conversion Notice"). Promptly thereafter, the Corporation shall issue and deliver to such holder a certificate for the number of shares of the Common Stock to which such holder shall be thereby entitled. In addition, if less than all the shares represented by such certificate(s) are surrendered for conversion, the Corporation shall issue and deliver to such holder a new certificate for the balance of the shares of Series D Preferred Stock not so converted. The effective date of such conversion shall be the close of business on the later of the date which is ninety (90) days from the date on which a proper notice is received by the Secretary of the Corporation or ninety (90) days from the date the duly endorsed certificate(s) is (are) received by the Corporation or the transfer agent, and the person or persons entitled to receive the shares of the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares on such effective date.

(c) Conversion Ratio. Each share of Series D Preferred Stock is convertible into Two Thousand Five Hundred (2,500) shares of the Corporation's fully paid and nonassessable shares of Common Stock (the "Conversion Ratio"), as adjusted pursuant to Section 3

(d) Adjustment to Conversion Ratio for Stock Dividends, Consolidations and Subdivisions.

In case the Corporation at any time after the first issuance of a share of the Series D Preferred Stock shall declare or pay on the Common Stock any dividend in shares of Common Stock, or effect a subdivision of the outstanding shares of the Common Stock into a greater number of shares of the Common Stock (by reclassification or otherwise than by payment of a dividend payable in shares of the Common Stock), or shall combine or consolidate the outstanding shares of the Common Stock into a lesser number of shares of the Common Stock (by reclassification or otherwise), then, and in each such case, the Conversion Ratio (as previously adjusted) in effect immediately prior to such declaration, payment, subdivision, combination or consolidation shall, concurrently with the effectiveness of such declaration, payment, subdivision, combination or consolidation, be proportionately adjusted.

(e) Adjustments for Reclassifications and Certain Reorganizations. In case the Corporation at any time after the first issuance of a share of the Series D Preferred Stock shall reclassify or otherwise change the outstanding shares of the Common Stock, whether by capital reorganization, reclassification or otherwise, or shall consolidate with or merge with or into any other corporation where the Corporation is not the surviving corporation but not otherwise, then, and in each such case, each outstanding share of the Series D Preferred Stock shall, immediately after the effectiveness of such reclassification, other change, consolidation or merger, be convertible into the type and amount of stock and other securities or property which the holder of that number of shares of the Common Stock into which such share of the Series D Preferred Stock would have been convertible before the effectiveness of such reclassification, other change, consolidation or merger would be entitled to receive in respect of such shares of the Common Stock as the result of such reclassification, other change, consolidation or merger.

(f) Fractional Shares. No fractional shares of the Common Stock shall be issuable upon the conversion of shares of the Series D Preferred Stock and the Corporation shall pay the cash equivalent of any fractional share upon such conversion.

(g) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of the Common Stock, solely for the purpose of effecting the conversion of the Series D Preferred Stock, such number of shares of the Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series D Preferred Stock; and if at any time the number of authorized but unissued shares of the Common Stock shall not be sufficient to effect the conversion of all outstanding shares of the Series D Preferred Stock, the Corporation will take such corporate action as is necessary to increase its authorized by unissued shares of the Common Stock to such number of shares as shall be sufficient for such purpose.

(h) Rule 144. With respect to the public resale of the shares of common stock issued upon conversion of the Series D Preferred Stock, the holder shall at all times be subject to the restrictions, conditions and requirements applicable to an affiliate of the Corporation, as described in Rule 144 of the Securities Act of 1933, as amended ("Rule 144"), even if the holder or its assignees and successors are no longer affiliates (as such term is defined under Rule 144) of the Corporation.

**Section 4. Notices**. Any notice required by the provisions of this Certificate of Designation to be given to holders of shares of the Series D Preferred Stock shall be deemed given three (3) days following the date on which mailed by certified mail, return receipt requested, postage prepaid, addressed to such holder at the address last appearing on the books of the Corporation for such holder or given by such holder to the Corporation for the purpose of notice, or if no such address appears or is so given, at the principal office of the Corporation, or upon personal delivery to the aforementioned address.

**Section 5. Voting Rights**. Except as otherwise required by law, and subject to Section 7 below, the holders of Series D Preferred Stock shall have no voting rights.

**Section 6. Protective Provisions**. So long as any shares of the Series D Preferred Stock shall remain outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series D Preferred Stock voting together as a class, alter or change the rights, preferences or privileges of the shares of the Series D Preferred Stock so as to affect materially and adversely such shares

**Section 7. Status of Converted Stock**. In the event any shares of the Series D Preferred Stock shall be converted pursuant to Section 3 above, the Series D Preferred Stock so converted shall be cancelled and shall revert to the Corporation's authorized but unissued Preferred Stock.

**Section 8. Transferability**. The Series D Preferred Stock shall not be transferable, provided that in the event of the death of a holder of shares of the Series D Preferred Stock, such shares may be transferred to the heirs or estate of such person.

**Section 9. Redemption**. To the extent it may lawfully do so, the Corporation may, at its sole discretion, redeem any or all shares of the then outstanding shares of Series D Preferred Stock after the seventh anniversary of the original issuance date (the "Redemption Date").

(a) The Corporation shall effect any such redemption by paying in cash in exchange for the shares of Series D Preferred to be redeemed a sum equal to One Hundred ($100) per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like) plus accrued and unpaid dividends with respect to such shares. The total amount to be paid for the Series D Preferred is hereinafter referred to as the "Redemption Price", and the date of such payment is hereinafter referred to as the "Redemption Date." At least thirty (30) days but no more than sixty (60) days prior to a Redemption Date, the Corporation shall send a notice (a "Redemption Notice") to all holder(s) of Series D Preferred to be redeemed setting forth (A) the Redemption Price for the shares to be redeemed; and (B) the place at which such holders may obtain payment of the Redemption Price upon surrender of their share certificates. Within three (3) days of receiving a Redemption Notice, holder shall elect to either (a) accept cash payment or (b) convert any part of the Series D Preferred Stock into shares of Common Stock, pursuant to Section 3 above. If the Corporation does not have sufficient funds legally available to redeem all shares to be redeemed at the Redemption Date, then it shall redeem such shares pro rata (based on the portion of the aggregate Redemption Price payable to them) to the extent possible and shall redeem the remaining shares to be redeemed as soon as sufficient funds are legally available, but no longer than ninety (90) days.

(b) On or after a Redemption Date, each holder of shares of Series D Preferred to be redeemed shall surrender such holder's certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by such certificates are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after such Redemption Date, unless there shall have been a default in payment of the Redemption Price or the Corporation is unable to pay the Redemption Price due to not having sufficient legally available funds, all rights of the holder of such shares as holder of Series D Preferred (except the right to receive the Redemption Price without interest upon surrender of their certificates), shall cease and terminate with respect to such shares; provided that in the event that shares of Series D Preferred are not redeemed due to a default in payment by the Corporation or because the Corporation does not have sufficient legally available funds, such shares of Series D Preferred shall remain outstanding and shall be entitled to all of the rights and preferences provided herein.

(c) The conversion rights (as set forth in Section 3) for such Series D Preferred Stock shall terminate at the close of business on the fifth (5th) day preceding the Redemption Date, unless default is made in payment of the Redemption Price.

RESOLVED, FURTHER, that the Chairman, the president or any vice-president, and the secretary or any assistant secretary, of the Corporation be and they hereby are authorized and directed to prepare and file this Certificate of Designation of Preferences, Rights and Limitations in accordance with the foregoing resolution and the provisions of Nevada law.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Designation on this 1st day of August, 2017.

CLOUDCOMMERCE, INC.

By: /s/ Andrew Van Noy
Name: Andrew Van Noy
Title: President and Chief Executive Officer

**Exhibit 3.2**

**CERTIFICATE OF DESIGNATION**
**OF**
**CLOUDCOMMERCE, INC.**

1. The name of the corporation is CloudCommerce, Inc., a Nevada corporation (the "Corporation").

2. By resolution of the board of directors pursuant to a provision in the articles of incorporation of the Corporation, this certificate establishes the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.

This series of the Corporation's Preferred Stock shall be designated "Series C Preferred Stock". The number of shares constituting the Series C Preferred Stock shall be Twenty Five Thousand (25,000) shares. The total face value of this entire series is Two Million Five Hundred Thousand Dollars ($2,500,000.00). Each share of Series C Preferred Stock shall have a stated face value of One Hundred Dollars ($100.00) ("Share Value"), and is convertible into shares of fully paid and non-assessable shares of common stock ("Common Stock") of the Corporation in accordance with Section 3 below. The Series C Preferred Stock shall have the rights, preferences and privileges set forth below:

**Section 1. Dividends**. The holders of outstanding shares of the Series C Preferred Stock (the "Holders") shall be entitled to receive dividends pari passu with the holders of Common Stock, except upon a liquidation, dissolution and winding up of the Corporation, as provided below in Section 2 of this Certificate. Such dividends shall be paid equally to all outstanding shares of Series C Preferred Stock and Common Stock, on an as-if-converted basis with respect to the Series C Preferred Stock. The right to such dividend on the Series C Preferred Stock shall be cumulative. At the sole option of the Holder, dividends may be converted into Common Stock at the Conversion Price in accordance with Section 3 below. In the event that the Corporation declares a stock dividend, the number of dividend shares distributed to Holder shall not exceed the limits set forth in Section 3(c) below, Limitations of Conversions, and the remaining balance of dividend shares shall accrue on the books on the Corporation in favor of the Holders. The Holders may at any time request the distribution of accrued dividend shares, subject to the limitations of Section 3(c) below, by sending a written notice to the Corporation.

**Section 2. Liquidation Preference**. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holder of each outstanding share of the Series C Preferred Stock shall be entitled to receive, out of the assets of the Corporation available for distribution to its shareholders upon such liquidation, whether such assets are capital or surplus of any nature, an amount equal to One Hundred Dollars ($100.00) for each such share of the Series C Preferred Stock (as adjusted for any combinations, consolidations, stock distributions or stock dividends with respect to such shares), plus all dividends, if any, declared and unpaid thereon as of the date of such distribution, before any payment shall be made or any assets distributed to the holders of the Common Stock, and, after such payment, the remaining assets of the Corporation shall be distributed to the holders of Common Stock.

(a) If the assets to be distributed pursuant to this Section 2 to the holders of the Series C Preferred Stock shall be insufficient to permit the receipt by such holders of the full preferential amounts aforesaid, then all of such assets shall be distributed among such holders of Series C Preferred Stock ratably in accordance with the number of such shares then held by each such holder.

(b) The sale of all or substantially all of the Corporation's assets, any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, in which the stockholders of the Corporation immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Corporation's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions to which the Corporation is a party in which in excess of fifty percent (50%) of the Corporation's voting power is transferred, excluding any consolidation or merger effected exclusively to change the domicile of the Corporation, shall be deemed to be a liquidation, dissolution or winding up within the meaning of this Section 2.

**Section 3. Conversion.** The Series C Preferred Stock shall be subject to conversion into Common Stock upon the following terms and conditions:

(a) Timing and Mechanics of Conversion.

The Holder has the right, at any time, at its election, to convert shares of Series C Preferred Stock into shares of Common Stock. The conversion price shall be One Cent ($0.01) (the "Conversion Price"), subject to adjustments described in Section 3. The number of shares of Common Stock receivable upon conversion of one share of Series C Preferred Stock equals the Share Value divided by the Conversion Price. A conversion notice (the "Conversion Notice") may be delivered to Corporation by method of Holder's choice (including but not limited to email, facsimile, mail, overnight courier, or personal delivery), and all conversions shall be cashless and not require further payment from the Holder. If no objection is delivered from the Corporation to the Holder, with respect to any variable or calculation reflected in the Conversion Notice within 24 hours of delivery of the Conversion Notice, the Corporation shall have been thereafter deemed to have irrevocably confirmed and irrevocably ratified such notice of conversion and waived any objection thereto. The Corporation shall deliver the shares of Common Stock from any conversion to the Holder (in any name directed by the Holder) within three (3) business days of Conversion Notice delivery. If the Corporation is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, then upon request of the Holder and provided that the shares to be issued are eligible for transfer under Rule 144 of the Securities Act of 1933, as amended (the "Securities Act"), or are effectively registered under the Securities Act, the Corporation shall cause its transfer agent to electronically issue the Common Stock issuable upon conversion to the Holder through the DTC Direct Registration System ("DRS"). If the Corporation is not participating in the DTC FAST program, then the Corporation agrees in good faith to apply and cause the approval for participation in the DTC FAST program.

(b) Conversion Delays. If Corporation fails to deliver shares in accordance with the timeframe stated in this Section 3, then for each conversion, in the event that shares are not delivered by the fourth business day (inclusive of the day of conversion), a penalty of $1,500 per day shall be assessed for each day after the third business day (inclusive of the day of the conversion) until share delivery is made; and such penalty may be converted into Common Stock at the Conversion Price or payable in cash, at the sole option of the Holder (under the Holder's and the Corporation's expectations that any penalty amounts shall tack back to the original date of the issuance of Series C Preferred Stock, consistent with applicable securities laws).

(c) Limitation of Conversions. In no event shall the Holder be entitled to convert any Series C Preferred Stock, such that upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of this Series C Preferred Stock or the unexercised or unconverted portion of any other security of the Corporation subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of Series C Preferred Stock with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived by the Holder upon, at the election of the Holder, not less than 61 days prior notice to the Corporation, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver).

(d) Adjustment to Conversion Price for Stock Dividends, Consolidations and Subdivisions. In case the Corporation at any time after the first issuance of a share of the Series C Preferred Stock shall declare or pay on the Common Stock any dividend in shares of Common Stock, or effect a subdivision of the outstanding shares of the Common Stock into a greater number of shares of the Common Stock (by reclassification or otherwise than by payment of a dividend payable in shares of the Common Stock), or shall combine or consolidate the outstanding shares of the Common Stock into a lesser number of shares of the Common Stock (by reclassification or otherwise), then, and in each such case, the Conversion Price (as previously adjusted) in effect immediately prior to such declaration, payment, subdivision, combination or consolidation shall, concurrently with the effectiveness of such declaration, payment, subdivision, combination or consolidation, be proportionately adjusted.

(e) Adjustments for Reclassifications and Certain Reorganizations. In case the Corporation at any time after the first issuance of a share of the Series C Preferred Stock shall reclassify or otherwise change the outstanding shares of the Common Stock, whether by capital reorganization, reclassification or otherwise, or shall consolidate with or merge with or into any other corporation where the Corporation is not the surviving corporation but not otherwise, then, and in each such case, each outstanding share of the Series C Preferred Stock shall, immediately after the effectiveness of such reclassification, other change, consolidation or merger, be convertible into the type and amount of stock and other securities or property which the holder of that number of shares of the Common Stock into which such share of the Series C Preferred Stock would have been convertible before the effectiveness of such reclassification, other change, consolidation or merger would be entitled to receive in respect of such shares of the Common Stock as the result of such reclassification, other change, consolidation or merger.

(f) Fractional Shares. No fractional shares of the Common Stock shall be issuable upon the conversion of shares of the Series C Preferred Stock and the Corporation shall pay the cash equivalent of any fractional share upon such conversion.

(g) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of the Common Stock, solely for the purpose of effecting the conversion of the Series C Preferred Stock, such number of shares of the Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series C Preferred Stock; and if at any time the number of authorized but unissued shares of the Common Stock shall not be sufficient to effect the conversion of all outstanding shares of the Series C Preferred Stock, the Corporation will take such corporate action as is necessary to increase its authorized by unissued shares of the Common Stock to such number of shares as shall be sufficient for such purpose.

**Section 4. Notices.** Any notice required by the provisions of this Certificate of Designation to be given to holders of shares of the Series C Preferred Stock shall be deemed given three days following the date on which mailed by certified mail, return receipt requested, postage prepaid, addressed to such holder at the address last appearing on the books of the Corporation for such holder or given by such holder to the Corporation for the purpose of notice, or if no such address appears or is so given, at the principal office of the Corporation, or upon personal delivery to the aforementioned address.

**Section 5. Voting Rights.** Except as required by law or as specifically provided herein, the Holders of Series C Preferred shall not be entitled to vote, as a separate class or otherwise, on any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting); provided, however, that each Holder of outstanding shares of Series C Preferred shall be entitled, on the same basis as holders of Common Stock, to receive notice of such action or meeting.

**Section 6. Protective Provisions.** So long as any shares of the Series C Preferred Stock shall remain outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series C Preferred Stock voting together as one class alter or change the rights, preferences or privileges of the shares of the Series C Preferred Stock so as to affect materially and adversely such shares; or

The Corporation hereby covenants and agrees that the Corporation will not, by amendment of its Certificate of Incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Certificate of Designation, and will at all times carry out all the provisions of this Certificate of Designation and take all action as may be required to protect the rights of the Holders.

**Section 7. Status of Converted Stock**. In the event any shares of the Series C Preferred Stock shall be converted pursuant to Section 3 above, the shares so converted shall be cancelled and shall revert to the Corporation's authorized but unissued Preferred Stock.

**Section 8. Transferability.** This Series C Preferred Stock shall be transferable and may be assigned by the Holder, to anyone of its choosing without Corporation's approval subject to applicable securities laws. Lender covenants not to engage in any unregistered public distribution of the Series C Preferred Stock when making any assignments.

**Section 9. Notices.** Any notice required hereby to be given to the holders of shares of the Series C Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of the Corporation for such holder or given by such holder to the Corporation for the purpose of notice, or if no such address appears or is so given, at the principal office of the Corporation, or upon personal delivery to the aforementioned address.

**Section 10. Public Disclosure.** The Corporation and the Holder agree not to issue any public statement with respect to the Holder's investment or proposed investment in the Corporation's Series C Preferred Stock, or the terms of any agreement or covenant without the other party's prior written consent, except such disclosures as may be required under applicable law or under any applicable order, rule or regulation.

**Section 11. Miscellaneous.**

(a) The headings of the various sections and subsections of this Certificate of Designation are for convenience of reference only and shall not affect the interpretation of any of the provisions of this Certificate of Designation.

(b) Whenever possible, each provision of this Certificate of Designation shall be interpreted in a manner as to be effective and valid under applicable law and public policy. If any provision set forth herein is held to be invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions of this Certificate of Designation. No provision herein set forth shall be deemed dependent upon any other provision unless so expressed herein. If a court of competent jurisdiction should determine that a provision of this Certificate of Designation would be valid or enforceable if a period of time were extended or shortened, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law.

(c) Except as may otherwise be required by law, the shares of the Series C Preferred Stock shall not have any powers, designations, preferences or other special rights, other than those specifically set forth in this Certificate of Designation.

(d) Notwithstanding anything to the contrary herein, with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, all shares of Series C Preferred Stock shall rank junior to all outstanding shares of Series A and B Preferred Stock.

IN WITNESS WHEREOF, this Certificate of Designation has been executed by a duly authorized officer of the Corporation on this 31st day of July, 2017.

CLOUDCOMMERCE, INC.

By: /s/ Andrew Van Noy
Name: Andrew Van Noy
Title: President and Chief Executive Officer

**Exhibit 10.1**

**EXCHANGE AGREEMENT**

THIS EXCHANGE AGREEMENT ("Agreement") is entered into as of July 31, 2017, by and between CloudCommerce, Inc., a Nevada corporation (the "Company"), and Bountiful Capital, LLC, a Nevada limited liability company, (the "Investor"), with respect to the following facts:

**R E C I T A L S**

A. The Company entered into loan transactions with the Investor in the aggregate principal amount of$1,442,500, as described below, which were evidenced by certain promissory Notes (the "Notes"), copies of which are attached hereto as Exhibit A.

| Effective Date | Annual Interest | Outstanding Principal Balance |
|---|---|---|
| January 12, 2016 | 0% | $ 100,000 |
| April 18, 2016 | 5% | $ 500,000 |
| October 3, 2016 | 5% | $ 500,000 |
| May 16, 2017 | 5% | $ 38,000 |
| May 30, 2017 | 5% | $ 46,000 |
| June 14, 2017 | 5% | $ 26,000 |
| June 29, 2017 | 5% | $ 23,500 |
| July 10, 2017 | 5% | $ 105,000 |
| July 14, 2017 | 5% | $ 50,500 |
| July 30, 2017 | 5% | $ 53,500 |
| | | $ 1,442,500 |

B. The Investor desires to waive the unpaid interest and tender the Notes to the Company for cancellation, including all outstanding principal, in exchange for the issuance by the Company to Investor of 14,425 shares of the Company's Series C Preferred Stock (the "Shares").

C. The Company desires to issue the Shares to the Investor in exchange for the cancellation of the Notes.

D. The closing of the transactions contemplated by this Agreement (the "Closing") will be deemed to have occurred upon the completion of the deliveries by each Party to this Agreement described in Section 2 of this Agreement.

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, and in light of the recitals stated above, the parties to this Agreement hereby agree as follows:

**Section 1. EXCHANGE OF NOTES FOR SHARES**

The Investor agrees to tender the Notes to the Company for cancellation in exchange for which the Company agrees to issue 14,425 Shares of the Company's Series C Preferred Stock to the Investor. The Investor agrees that upon delivery of the Shares to the Investor, the Notes shall be deemed fully paid and satisfied, null and void and no interest, fees or principal shall be due thereon. In the event the Notes are lost or destroyed, the Investor hereby warrants that the Notes are lost or destroyed and agrees to immediately surrender to the Company said Notes should it later be found and the Investor shall provide the Company with an affidavit of loss of said Notes. The Investor hereby agrees to indemnify and hold harmless the Company and its affiliates against all liability, costs, damages, claims or expenses which may be incurred by any of them as a result of any claim to ownership of the lost Notes asserted by the Investor or by anyone other than Investor.

**Section 2. DELIVERIES**

2.1 The Company. The Company will or will cause its transfer agent to a deliver certificate evidencing the Shares issuable to the Investor within five (5) business days after delivery of the Notes or an affidavit that said Notes are lost by the Investor to the Company.

2.2 The Investor. The Investor will deliver the Notes or an affidavit that said Notes are lost upon the execution of this Agreement. The Investor also agrees to deliver any other document reasonably requested by the Company that it deems necessary for the consummation of the transactions contemplated by this Agreement.

**Section 3. EQUITABLE RELIEF.**

3.1 Damages Inadequate. Each party acknowledges that it would be impossible to measure in money the damages to the other party if there is a failure to comply with any covenants or provisions of this Agreement, and agrees that in the event of any breach of any covenant or provision, the other party to this Agreement will not have an adequate remedy at law.

3.2 Equitable Relief. It is therefore agreed that the other party to this Agreement who is entitled to the benefit of the covenants or provisions of this Agreement which have been breached, in addition to any other rights or remedies which they may have, shall be entitled to immediate equitable relief to enforce such covenants and provisions, and that in the event that any such action or proceeding is brought in equity to enforce them, the defaulting or breaching party will not urge a defense that there is an adequate remedy at law.

**Section 4. Investor Representation and Warranty**

4.1 Investor's Representations and Warranties. As a material inducement to the Company to enter into this Agreement and consummate the exchange, Investor represents warrants and covenants with and to the Company as follows:

i. Authorization and Binding Obligation. The Investor has the requisite legal capacity, power and authority to enter into, and perform under, this Agreement, including with respect to canceling the note and receiving the Shares. The execution, delivery and performance of this Agreement and performance by such Investor and the consummation by such Investor of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate, partnership or similar action on the part of such Investor and no further consent or authorization is required. This Agreement has been duly authorized, executed and delivered by the Investor. This Agreement has been duly executed and delivered by the Investor, and constitute the legal, valid and binding obligations of the Investor, enforceable against the Investor in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities laws.

ii. Beneficial Owner. With respect to the Note (i) the Investor owns, beneficially and of record, good and marketable title to the Note, free and clear of any taxes or encumbrances; (ii) the Note is not subject to any transfer restriction, other than the restriction that the Note not been registered under the Securities Act of 1933, as amended (the "1933 Act") and, therefore, cannot be resold unless registered under the 1933 Act or in a transaction exempt from or not subject to the registration requirements of the 1933 Act; (iii) the Note has not entered into any agreement or understanding with any person or entity to dispose of the Note; and (iv) at the Closing, the Investor will convey to the Company good and marketable title to the Note, free and clear of any security interests, liens, adverse claims, encumbrances, taxes or encumbrances.

iii. Accredited Investor. Such Investor is an accredited investor as defined in Rule 501(a) of Regulation D, as amended, under the 1933 Act.

iv. Purchase Entirely for Own Account. The Shares to be received by the Investor hereunder will be acquired for such Investor's own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the 1933 Act, and such Investor has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the 1933 Act without prejudice, however, to such Investor's right at all times to sell or otherwise dispose of all or any part of such Shares in compliance with applicable federal and state securities laws**.** Nothing contained herein shall be deemed a representation or warranty by such Investor to hold the Shares for any period of time. The Investor is not a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, as amended (the "1934 Act") or an entity engaged in a business that would require it to be so registered.

v. Disclosure of Information. Such Investor has had an opportunity to receive all information related to the Company requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Shares. Such Investor acknowledges receipt of copies of the Company's most recent Annual Report on Form 10-K for its last fiscal year and all other reports filed by the Company pursuant to the 1934 Act since the filing of the 10-K and prior to the date hereof.

vi. Proceedings. No proceedings relating to the Note is pending or, to the knowledge of the Investor, threatened before any court, arbitrator or administrative or governmental body that would adversely affect the Investor's right and ability to surrender and exchange the Note.

vii. Tax Consequences. The Investor acknowledges that the contents this Agreement do not contain tax advice and Investor acknowledges that it has not relied and will not rely upon the Company with respect to any tax consequences related to the exchange of the Note and receipt of the Shares. The Investor assumes full responsibility for all such consequences and for the preparation and filing of any tax returns and elections which may or must be filed in connection with such Note and/or the exchange of the Note for the Shares.

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

ix. Neither the Investor nor its agent or representative has engaged any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the Transactions contemplated herein.

**Section 5. MISCELLANEOUS**

5.1 Further Assurances. The parties to this Agreement hereby agree to execute any other documents and take any further actions, which are reasonably necessary or appropriate in order to implement the transactions contemplated by this Agreement.

5.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

5.3 Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the laws of the State of Nevada. The federal and state courts located in Clark County, Nevada shall have sole and exclusive subject matter jurisdiction over this Agreement and the parties expressly consent to personal jurisdiction in Nevada for the purpose of resolving any dispute related to the making or interpretation of this Agreement.

5.4 Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns, if any, and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns, if any.

5.5 Legends. The Investor understands that the Shares are characterized as "restricted securities" under the 1933 Act. The Investor further acknowledges that if the Shares are issued to the Investor in accordance with the provisions of this Agreement, such Shares may not be resold without registration under the Securities Act or the existence of an exemption therefrom. The Investor represents that it is familiar with Rule 144 promulgated under the 1933 Act, as presently in effect, and understands the resale limitations imposed thereby and by the 1933 Act. Investor acknowledges that the certificate(s) representing the Debentures shall each conspicuously set forth on the face or back thereof a legend in substantially the following form:

**THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.**

and any legend required by the "blue sky" laws of any state to the extent such laws are applicable to the securities represented by the certificates with such legend.

5.6 Severability. The provisions of this Agreement are severable and in the event that one or more of its provisions are deemed to be unenforceable or invalid for any reason, such finding will not affect the enforceability or validity of any other provision of this Agreement, which shall remain in full force and effect.

5.7 Public Disclosure. The Company and the Investor agree not to issue any public statement with respect to the Investor's investment or proposed investment in the Company or the terms of any agreement or covenant without the other party's prior written consent, except such disclosures as may be required under applicable law or under any applicable order, rule or regulation.

5.8 Waiver. No failure or delay on the part of either party hereto in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege.

5.09 Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto and supersedes all prior agreements and understandings between the parties relating to the subject matter hereof.

5.10 Parties in Interest. None of the provisions of this Agreement or of any other document relating hereto is intended to provide any rights or remedies to any person (including, without limitation, any employees or creditors of the Company) other than the parties hereto and their respective heirs, successors and assigns, if any.

5.11 Authorized Signatures. Each party to this Agreement hereby represents that the persons signing below are duly authorized to execute this Agreement on behalf of their respective party.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the date first above written.

**COMPANY:**

**CLOUDCOMMERCE, INC.**

By: */s/ Andrew VanNoy*
Andrew Van Noy, Chief Executive Officer

**INVESTOR:**

**BOUNTIFUL CAPITAL, LLC**

By: */s/ Greg Boden*
Greg Boden, President

EXHIBIT A

NOTES

**Exhibit 10.2**

# MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT Services Agreement (the "Agreement") is made as of the 1st of August 2017, by and between CloudCommerce, Inc., a Nevada corporation (the "CloudCommerce" ") and Parscale Creative, Inc.**,** a Nevada corporation ("Parscale Creative Creative").

W I T N E S S E T H

**WHEREAS,** CloudCommerce together with its subsidiary provides advanced e-commerce services to leading brands and provides services that include: (1) development of highly customized and sophisticated online stores, (2) real-time integration to other business systems, (3) digital marketing and data analytics, (4) complete and secure site management, and (5) integration to physical stores;

**WHEREAS,** Parscale Creative is a newly formed company engaged in the digital marketing business;

**WHEREAS**, Parscale Creative has requested that CloudCommerce and CloudCommerce has agreed to provide management services to Parscale Creative; and

**NOW, THEREFORE**, in consideration of of the foregoing and the mutual and dependent covenants hereinafter set forth, the parties agree as follows:

**1. Appointment**. Parscale Creative hereby engages CloudCommerce, and CloudCommerce hereby agrees, upon the terms and subject to the conditions set forth herein, to provide, or cause any of its Affiliates to provide, certain services to Parscale Creative, as described in Section 2.1 hereof. For purposes of this Agreement, an "Affiliate" of any specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

**2. Services.**

**(a)** CloudCommerce and its Affiliates and each of the persons individually designated to perform services for Parscale Creative on behalf of CloudCommerce or its Affiliates, shall, during the term of this Agreement, report to Parscale Creative's Board of Directors (the "Board"), and shall perform such duties and functions as are customarily assigned to the position(s) to which such persons are assigned as well as such other duties and responsibilities not inconsistent therewith as may be assigned to him from time to time by the Board. CloudCommerce, and its Affiliates shall provide Parscale Creative with day-to-day strategic and operational management and advisory services, as the Board may reasonably request from time to time (collectively the "Services").

**(b)** Notwithstanding anything in the foregoing to the contrary, the following services are specifically excluded from the definition of "Services":

(i) accounting services rendered to CloudCommerce or Parscale Creative by an independent accounting firm or accountant who is not an employee of CloudCommerce; and

(ii) legal services rendered to CloudCommerce or Parscale Creative by an independent law firm or attorney who is not an employee of CloudCommerce.

**(c)** CloudCommerce and its Affiliates shall devote so much of their time to the activities of Parscale Creative as is necessary and appropriate to perform the Services hereunder. CloudCommerce or any of its Affiliates, as applicable, shall perform the Services at the times and places reasonably requested by the Board to meet the needs and requirements of Parscale Creative, taking into account other engagements that CloudCommerce and its Affiliates may have.

**3. Fees.**

**(a)** In consideration of the Services provided hereunder, CloudCommerce shall be paid a management service fee of Five Thousand Dollars ($5,000) per month, (the "Management Service Fee"), payable three working days prior to the last business day of each calendar month. The Management Service Fee shall at all times be subject to any changes that might have been incurred in the number of the natural persons and/or any changes to the Services provided hereunder.

**(b)** In addition to the payments required under Section 3(a) above, Parscale Creative shall, at the direction of CloudCommerce, pay directly or reimburse CloudCommerce for Out-of-Pocket Expenses (as hereinafter defined). For purposes of this Agreement, the term "Out-of-Pocket Expenses" shall mean the reasonable amounts incurred by CloudCommerce and/or its personnel from products and/or services of unaffiliated third parties delivered to Parscale Creative or CloudCommerce and/or their respective personnel in connection with the Services. All direct payments and reimbursements for Out-of-Pocket Expenses shall be made promptly upon or as soon as practicable after presentation by CloudCommerce to Parscale Creative of a statement in reasonable detail in connection therewith.

**4. Term.** The term of this Agreement (the "Term") shall be for an initial term of six (6) months; provided, however, that this Agreement and Parscale Creative's engagement of CloudCommerce hereunder may be terminated, or extended, at any time following the date hereof upon mutual agreement of Parscale Creative and CloudCommerce. Notwithstanding anything in this Agreement to the contrary, (a) the provisions of Section 8 shall survive the termination of this Agreement, and (b) no termination of this Agreement, whether pursuant to this Section 4 or otherwise, will affect Parscale Creative's duty to pay any fees accrued, or reimburse any cost or expense incurred, pursuant to the terms of this Agreement prior to the effective date of that termination.

**5. Representations by** CloudCommerce**.** CloudCommerce represents and warrants the following:

**(a) Capacity; Authority; Validity**. CloudCommerce has all necessary capacity, power and authority to enter into this Agreement and to perform all the obligations to be performed by CloudCommerce hereunder; this Agreement and the consummation by CloudCommerce of the transactions contemplated hereby has been duly and validly authorized by all necessary action of CloudCommerce; this Agreement has been duly executed and delivered by CloudCommerce; and assuming the due execution and delivery of this Agreement by CloudCommerce, this Agreement constitutes the legal, valid and binding obligation of CloudCommerce enforceable against CloudCommerce in accordance with its terms.

**(b) No Violation of Law or Agreement.** Neither the execution and delivery of this Agreement by CloudCommerce, nor the consummation of the transactions contemplated hereby by CloudCommerce, will violate any judgment, order, writ, decree, law, rule or regulation or agreement applicable to CloudCommerce. CloudCommerce is not in breach of any agreement requiring the preservation of the confidentiality of any information, client lists, trade secrets or other confidential information, and neither the execution of this Agreement nor the performance by CloudCommerce of its obligations hereunder will conflict with, result in a breach of, or constitute a default under, any agreement to which CloudCommerce is a party or to which CloudCommerce may be subject.

**6. Representations by Parscale Creative.** Parscale Creative represents and warrants the following:

**(a) Capacity; Authority; Validity**. Parscale Creative has all necessary capacity, power and authority to enter into this Agreement and to perform all the obligations to be performed by Parscale Creative hereunder; this Agreement and the consummation by Parscale Creative of the transactions contemplated hereby has been duly and validly authorized by all necessary action of Parscale Creative this Agreement has been duly executed and delivered by Parscale Creative; and assuming the due execution and delivery of this Agreement by Parscale Creative, this Agreement constitutes the legal, valid and binding obligation of Parscale Creative enforceable against Parscale Creative in accordance with its terms.

**(b) No Violation of Law or Agreement.** Neither the execution and delivery of this Agreement by Parscale Creative, nor the consummation of the transactions contemplated hereby by Parscale Creative, will violate any judgment, order, writ, decree, law, rule or regulation or agreement applicable to Parscale Creative. Parscale Creative is not in breach of any agreement requiring the preservation of the confidentiality of any information, client lists, trade secrets or other confidential information or any agreement not to compete or interfere with any prior employer, and that neither the execution of this Agreement nor the performance by Parscale Creative of its obligations hereunder will conflict with, result in a breach of, or constitute a default under, any agreement to which Parscale Creative is a party or to which Parscale Creative may be subject.

**7. Confidentiality.** Except as directed in writing, CloudCommerce will not disclose or use at any time, either during the period of this Agreement or thereafter, any Confidential Information (as defined below) of which it is or becomes aware, except to the extent required by applicable law or deemed reasonably necessary by CloudCommerce in carrying out the Services. CloudCommerce will take all appropriate steps to safeguard any Confidential Information, as defined herein, and to protect it against disclosure, misuse, espionage, loss and theft. As used in this Agreement, the term "Confidential Information" means information relating to Parscale Creative's business that is not generally known to the public or that is used or developed by Parscale Creative including, without limitation, all products and services, fees, costs and pricing structures, financial and trading information, accounting and business methods, analyses, reports, data bases, computer software (including operating systems, applications and program listings), manuals and documentation, customers and clients and customer and client lists, account files, travel agents and travel agent lists, charter contracts, salesmen and salesmen lists, technology and trade secrets and all similar and related information in whatever form relating to the business of Parscale Creative, provided however, that CloudCommerce may disclose or use Confidential Information at the direction of Parscale Creative.

**8. Indemnification.** Parscale Creative shall indemnify and hold harmless CloudCommerce and each of its Related Parties, as defined below, (each, an "Indemnified Party") from and against any and all losses, claims, actions, damages and liabilities, joint or several, to which such Indemnified Party may become subject under any applicable statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment or decree, made by any third party or otherwise, relating to or arising out of the Services or other matters referred to in or contemplated by this Agreement or the engagement of such Indemnified Party pursuant to, and the performance by such Indemnified Party, of the Services or other matters referred to or contemplated by this Agreement, and Parscale Creative will reimburse any Indemnified Party for all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatening claim, or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto. Parscale Creative will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability, cost or expense is determined by a court, in a final judgment from which no further appeal may be taken, to have resulted solely from the wilful misconduct of such Indemnified Party. The reimbursement and indemnity obligations of Parscale Creative, under this Section 8 shall be in addition to any liability which Parscale Creative may otherwise have, shall extend upon the same terms and conditions to any Affiliate of CloudCommerce and any Related Party or controlling persons (if any), as the case may be, of CloudCommerce and any such Affiliate and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of Parscale Creative, CloudCommerce, any such Affiliate and any such Related Party or other person. The provisions of this Section 8 shall survive the termination of this Agreement.

**9. Independent Contractor**. Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employee/employer relationship. CloudCommerce shall be an independent contractor pursuant to this Agreement. Neither party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party. Nothing in this Agreement shall be deemed or construed to enlarge the fiduciary duties and responsibilities, if any, of CloudCommerce or any of its Related Parties, including without limitation in any of their respective capacities as stockholder or directors of Parscale Creative.

**10. Disclaimer; Limitation of Liability.**

**(a)** CloudCommerce makes no representations or warranties, express or implied, in respect of the Services to be provided by it hereunder.

**(b)** Neither CloudCommerce nor any of its officers, directors, managers, principals, stockholders, partners, members, employees, agents, representatives and Affiliates (each a "Related Party" and, collectively, the "Related Parties") shall be liable to Parscale Creative or any of its Affiliates for any loss, liability, damage or expense arising out of or in connection with the performance of any Services contemplated by this Agreement, unless such loss, liability, damage or expense shall be proven to result directly from the willful misconduct of such person. In no event will CloudCommerce or any of its Related Parties be liable to Parscale Creative for special, indirect, punitive or consequential damages, including, without limitation, loss of profits or lost business, even if CloudCommerce has been advised of the possibility of such damages. Under no circumstances will the liability of CloudCommerce and Related Parties exceed, in the aggregate, the fees actually paid to CloudCommerce hereunder.

**11. Injunctive Relief.** CloudCommerce agrees that if it breaches or attempts to breach or violate any of the provisions of this Agreement, Parscale Creative will be irreparably harmed and monetary damages will not provide an adequate remedy. Accordingly, it is agreed that Parscale Creative may apply for and shall be entitled to temporary, preliminary and permanent injunctive relief (without the necessity of posting a bond or other security) in order to prevent breach of this Agreement or to specifically enforce the provisions hereof, and CloudCommerce hereby consents to the granting of such relief, without having to prove the inadequacy of the available remedies at law or actual damages. It is understood that any such injunctive remedy shall not be exclusive or waive any rights to seek other remedies at law or in equity. The parties further agree that the covenants and undertakings covered by this Agreement are reasonable in light of the facts as they exist on the date of this Agreement. However, if at any time, a court or panel of arbitrators having jurisdiction over this Agreement shall determine that any of the subject matter or duration is unreasonable in any respect, it shall be reduced, and not terminated, as such court or panel of arbitrators determines may be reasonable.

**12. 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. However, neither this Agreement nor any of the rights of the parties hereunder may otherwise be transferred or assigned by any party hereto, except that (a) if Parscale Creative shall merge or consolidate with or into, or sell or otherwise transfer substantially all its assets to, another company which assumes CloudCommerce's obligations under this Agreement, CloudCommerce may assign its rights hereunder to that company, and (b) CloudCommerce may assign its rights and obligations hereunder to any Affiliate. Any attempted transfer or assignment in violation of this Section 12 shall be void.

**13. Entire Agreement.** This Agreement constitutes the entire and only agreement between the parties in relation to its subject matter and replaces and extinguishes all prior agreements, undertakings, arrangements, understandings or statements of any nature made by the parties or any of them whether oral or written with respect to such subject matter.

**14. 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 e-mail 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 addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14.

| | |
|---|---|
| If to CloudCommerce: | 1933 Cliff Drive, Suite 1<br>Santa Barbara, CA 93109<br>Facsimile: [FAX NUMBER]<br>E-mail: Andrew@cloudcommerce.com<br>Attention: Andrew Van Noy, President |
| with a copy to: | Sichenzia Ross Ference Kesner LLP 61 Broadway, 32nd Floor<br>New York, NY 10006<br>Facsimile: (212)930-9725<br>E-mail: gscihenzia@srfkllp.com<br>Attention: Gregory Sichenzia, Esq. |
| If to Parscale Creative: | 321 6th St<br>San Antonio, TX 78215:<br>E-mail: brad@parscale.com<br>Attention: Brad Parscale |
| with a copy to: | Jeremy R. Sloan<br>Chunn Price Harris & Sloan<br>1000 Central Parkway N, suite 100,<br>San Antonio, TX 78232<br>Telephone (210) 343.5000<br>Facsimile (210) 525.0960<br>email: jsloan@cphattorneys.com |

**15. Amendments to this Agreement.** No modification, alteration or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed on behalf of each of the parties. No delay or omission by Parscale Creative in exercising any right or power vested in it under this Agreement shall impair such right or power or be construed as a waiver of, or acquiescence in, any default or breach by CloudCommerceof any of its obligations under this Agreement.

**16. 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 such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this 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.

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

**18. Governing Law; Submission to Jurisdiction**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada without giving effect to any choice or conflict of law provision or rule (whether of the State of Nevada or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Nevada. Any legal suit, action or proceeding arising out of or based upon 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 Nevada in each case located in the city of Las Vegas and County of Clark and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

**19. Waiver of Jury Trial**. Each 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. Each party to this Agreement certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action; (b) such party has considered the implications of this waiver; (c) such party makes this waiver voluntarily; and (d) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 19.

**20. Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail 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.

**21. No Strict Construction**. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the parties signed the present document the day and year first above written.

**CLOUDCOMMERCE, INC.**

*/s/ Andrew VanNoy*

By: Andrew VanNoy
Title: President

**PARSCALE CREATIVE, INC.**

*/s/ Bradley Parscale*

By: Bradley Parscale
Title: President

**Exhibit 10.3**

# MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT Services Agreement (the "Agreement") is made as of the 1st of August 2017, by and between CloudCommerce, Inc., a Nevada corporation (the "CloudCommerce" ") and Parscale Media, LLC**,** a Texas limited liability company ("Parscale Media").

W I T N E S S E T H

**WHEREAS,** CloudCommerce together with its subsidiary provides advanced e-commerce services to leading brands and provides services that include: (1) development of highly customized and sophisticated online stores, (2) real-time integration to other business systems, (3) digital marketing and data analytics, (4) complete and secure site management, and (5) integration to physical stores;

**WHEREAS,** Parscale Media is engaged in the website hosting business;

**WHEREAS**, Parscale Media has requested that CloudCommerce and CloudCommerce has agreed to provide management services to Parscale Media; and

**NOW, THEREFORE**, in consideration of of the foregoing and the mutual and dependent covenants hereinafter set forth, the parties agree as follows:

**1. Appointment**. Parscale Media hereby engages CloudCommerce, and CloudCommerce hereby agrees, upon the terms and subject to the conditions set forth herein, to provide, or cause any of its Affiliates to provide, certain services to Parscale Media, as described in Section 2.1 hereof. For purposes of this Agreement, an "Affiliate" of any specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

**2. Services.**

**(a)** CloudCommerce and its Affiliates and each of the persons individually designated to perform services for Parscale Media on behalf of CloudCommerce or its Affiliates, shall, during the term of this Agreement, report to Parscale Media's Board of Directors (the "Board"), and shall perform such duties and functions as are customarily assigned to the position(s) to which such persons are assigned as well as such other duties and responsibilities not inconsistent therewith as may be assigned to him from time to time by the Board. CloudCommerce, and its Affiliates shall provide Parscale Media with day-to-day strategic and operational management and advisory services, as the Board may reasonably request from time to time (collectively the "Services").

**(b)** Notwithstanding anything in the foregoing to the contrary, the following services are specifically excluded from the definition of "Services":

(i) accounting services rendered to CloudCommerce or Parscale Media by an independent accounting firm or accountant who is not an employee of CloudCommerce; and

(ii) legal services rendered to CloudCommerce or Parscale Media by an independent law firm or attorney who is not an employee of CloudCommerce.

**(c)** CloudCommerce and its Affiliates shall devote so much of their time to the activities of Parscale Media as is necessary and appropriate to perform the Services hereunder. CloudCommerce or any of its Affiliates, as applicable, shall perform the Services at the times and places reasonably requested by the Board to meet the needs and requirements of Parscale Media, taking into account other engagements that CloudCommerce and its Affiliates may have.

**3. Fees.**

**(a)** In consideration of the Services provided hereunder, CloudCommerce shall be paid a management service fee of Two Thousand Dollars ($2,000) per month, (the "Management Service Fee"), payable three working days prior to the last business day of each calendar month. The Management Service Fee shall at all times be subject to any changes that might have been incurred in the number of the natural persons and/or any changes to the Services provided hereunder.

**( b )** In addition to the payments required under Section 3(a) above, Parscale Media shall, at the direction of CloudCommerce, pay directly or reimburse CloudCommerce for Out-of-Pocket Expenses (as hereinafter defined). For purposes of this Agreement, the term "Out-of-Pocket Expenses" shall mean the reasonable amounts incurred by CloudCommerce and/or its personnel from products and/or services of unaffiliated third parties delivered to Parscale Media or CloudCommerce and/or their respective personnel in connection with the Services. All direct payments and reimbursements for Out-of-Pocket Expenses shall be made promptly upon or as soon as practicable after presentation by CloudCommerce to Parscale Media of a statement in reasonable detail in connection therewith.

**4. Term.** The term of this Agreement (the "Term") shall be for an initial term of six (6) months; provided, however, that this Agreement and Parscale Media's engagement of CloudCommerce hereunder may be terminated, or extended, at any time following the date hereof upon mutual agreement of Parscale Media and CloudCommerce. Notwithstanding anything in this Agreement to the contrary, (a) the provisions of Section 8 shall survive the termination of this Agreement, and (b) no termination of this Agreement, whether pursuant to this Section 4 or otherwise, will affect Parscale Media's duty to pay any fees accrued, or reimburse any cost or expense incurred, pursuant to the terms of this Agreement prior to the effective date of that termination.

**5. Representations by** CloudCommerce**.** CloudCommerce represents and warrants the following:

**(a) Capacity; Authority; Validity**. CloudCommerce has all necessary capacity, power and authority to enter into this Agreement and to perform all the obligations to be performed by CloudCommerce hereunder; this Agreement and the consummation by CloudCommerce of the transactions contemplated hereby has been duly and validly authorized by all necessary action of CloudCommerce; this Agreement has been duly executed and delivered by CloudCommerce; and assuming the due execution and delivery of this Agreement by CloudCommerce, this Agreement constitutes the legal, valid and binding obligation of CloudCommerce enforceable against CloudCommerce in accordance with its terms.

**(b) No Violation of Law or Agreement.** Neither the execution and delivery of this Agreement by CloudCommerce, nor the consummation of the transactions contemplated hereby by CloudCommerce, will violate any judgment, order, writ, decree, law, rule or regulation or agreement applicable to CloudCommerce. CloudCommerce is not in breach of any agreement requiring the preservation of the confidentiality of any information, client lists, trade secrets or other confidential information, and neither the execution of this Agreement nor the performance by CloudCommerce of its obligations hereunder will conflict with, result in a breach of, or constitute a default under, any agreement to which CloudCommerce is a party or to which CloudCommerce may be subject.

**6. Representations by Parscale Media.** Parscale Media represents and warrants the following:

**(a) Capacity; Authority; Validity**. Parscale Media has all necessary capacity, power and authority to enter into this Agreement and to perform all the obligations to be performed by Parscale Media hereunder; this Agreement and the consummation by Parscale Media of the transactions contemplated hereby has been duly and validly authorized by all necessary action of Parscale Media; this Agreement has been duly executed and delivered by Parscale Media; and assuming the due execution and delivery of this Agreement by Parscale Media, this Agreement constitutes the legal, valid and binding obligation of Parscale Media enforceable against Parscale Media in accordance with its terms.

**(b) No Violation of Law or Agreement.** Neither the execution and delivery of this Agreement by Parscale Media, nor the consummation of the transactions contemplated hereby by Parscale Media, will violate any judgment, order, writ, decree, law, rule or regulation or agreement applicable to Parscale Media. Parscale Media is not in breach of any agreement requiring the preservation of the confidentiality of any information, client lists, trade secrets or other confidential information or any agreement not to compete or interfere with any prior employer, and that neither the execution of this Agreement nor the performance by Parscale Media of its obligations hereunder will conflict with, result in a breach of, or constitute a default under, any agreement to which Parscale Media is a party or to which Parscale Media may be subject.

**7. Confidentiality.** Except as directed in writing, CloudCommerce will not disclose or use at any time, either during the period of this Agreement or thereafter, any Confidential Information (as defined below) of which it is or becomes aware, except to the extent required by applicable law or deemed reasonably necessary by CloudCommerce in carrying out the Services. CloudCommerce will take all appropriate steps to safeguard any Confidential Information, as defined herein, and to protect it against disclosure, misuse, espionage, loss and theft. As used in this Agreement, the term "Confidential Information" means information relating to Parscale Media's business that is not generally known to the public or that is used or developed by Parscale Media including, without limitation, all products and services, fees, costs and pricing structures, financial and trading information, accounting and business methods, analyses, reports, data bases, computer software (including operating systems, applications and program listings), manuals and documentation, customers and clients and customer and client lists, account files, travel agents and travel agent lists, charter contracts, salesmen and salesmen lists, technology and trade secrets and all similar and related information in whatever form relating to the business of Parscale Media, provided however, that CloudCommerce may disclose or use Confidential Information at the direction of Parscale Media.

**8. Indemnification.** Parscale Media shall indemnify and hold harmless CloudCommerce and each of its Related Parties, as defined below, (each, an "Indemnified Party") from and against any and all losses, claims, actions, damages and liabilities, joint or several, to which such Indemnified Party may become subject under any applicable statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment or decree, made by any third party or otherwise, relating to or arising out of the Services or other matters referred to in or contemplated by this Agreement or the engagement of such Indemnified Party pursuant to, and the performance by such Indemnified Party, of the Services or other matters referred to or contemplated by this Agreement, and Parscale Media will reimburse any Indemnified Party for all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) as they are incurred in connection with the investigation of, preparation for or defense of any pending or threatening claim, or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto. Parscale Media will not be liable under the foregoing indemnification provision to the extent that any loss, claim, damage, liability, cost or expense is determined by a court, in a final judgment from which no further appeal may be taken, to have resulted solely from the wilful misconduct of such Indemnified Party. The reimbursement and indemnity obligations of Parscale Media, under this Section 8 shall be in addition to any liability which Parscale Media may otherwise have, shall extend upon the same terms and conditions to any Affiliate of CloudCommerce and any Related Party or controlling persons (if any), as the case may be, of CloudCommerce and any such Affiliate and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of Parscale Media, CloudCommerce, any such Affiliate and any such Related Party or other person. The provisions of this Section 8 shall survive the termination of this Agreement.

**9. Independent Contractor**. Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employee/employer relationship. CloudCommerce shall be an independent contractor pursuant to this Agreement. Neither party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party. Nothing in this Agreement shall be deemed or construed to enlarge the fiduciary duties and responsibilities, if any, of CloudCommerce or any of its Related Parties, including without limitation in any of their respective capacities as stockholder or directors of Parscale Media.

**10. Disclaimer; Limitation of Liability.**

**(a)** CloudCommerce makes no representations or warranties, express or implied, in respect of the Services to be provided by it hereunder.

**(b)** Neither CloudCommerce nor any of its officers, directors, managers, principals, stockholders, partners, members, employees, agents, representatives and Affiliates (each a "Related Party" and, collectively, the "Related Parties") shall be liable to Parscale Media or any of its Affiliates for any loss, liability, damage or expense arising out of or in connection with the performance of any Services contemplated by this Agreement, unless such loss, liability, damage or expense shall be proven to result directly from the willful misconduct of such person. In no event will CloudCommerce or any of its Related Parties be liable to Parscale Media for special, indirect, punitive or consequential damages, including, without limitation, loss of profits or lost business, even if CloudCommerce has been advised of the possibility of such damages. Under no circumstances will the liability of CloudCommerce and Related Parties exceed, in the aggregate, the fees actually paid to CloudCommerce hereunder.

**11. Injunctive Relief.** CloudCommerce agrees that if it breaches or attempts to breach or violate any of the provisions of this Agreement, Parscale Media will be irreparably harmed and monetary damages will not provide an adequate remedy. Accordingly, it is agreed that Parscale Media may apply for and shall be entitled to temporary, preliminary and permanent injunctive relief (without the necessity of posting a bond or other security) in order to prevent breach of this Agreement or to specifically enforce the provisions hereof, and CloudCommerce hereby consents to the granting of such relief, without having to prove the inadequacy of the available remedies at law or actual damages. It is understood that any such injunctive remedy shall not be exclusive or waive any rights to seek other remedies at law or in equity. The parties further agree that the covenants and undertakings covered by this Agreement are reasonable in light of the facts as they exist on the date of this Agreement. However, if at any time, a court or panel of arbitrators having jurisdiction over this Agreement shall determine that any of the subject matter or duration is unreasonable in any respect, it shall be reduced, and not terminated, as such court or panel of arbitrators determines may be reasonable.

**12. 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. However, neither this Agreement nor any of the rights of the parties hereunder may otherwise be transferred or assigned by any party hereto, except that (a) if Parscale Media shall merge or consolidate with or into, or sell or otherwise transfer substantially all its assets to, another company which assumes CloudCommerce's obligations under this Agreement, CloudCommerce may assign its rights hereunder to that company, and (b) CloudCommerce may assign its rights and obligations hereunder to any Affiliate. Any attempted transfer or assignment in violation of this Section 12 shall be void.

**13. Entire Agreement.** This Agreement constitutes the entire and only agreement between the parties in relation to its subject matter and replaces and extinguishes all prior agreements, undertakings, arrangements, understandings or statements of any nature made by the parties or any of them whether oral or written with respect to such subject matter.

**14. 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 e-mail 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 addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14.

| | |
|---|---|
| If to CloudCommerce: | 1933 Cliff Drive, Suite 1<br>Santa Barbara, CA 93109<br>Facsimile: [FAX NUMBER]<br>E-mail: Andrew@cloudcommerce.com<br>Attention: Andrew Van Noy, President |
| with a copy to: | Sichenzia Ross Ference Kesner LLP 61 Broadway, 32nd Floor<br>New York, NY 10006<br>Facsimile: (212)930-9725<br>E-mail: gscihenzia@srfkllp.com<br>Attention: Gregory Sichenzia, Esq. |
| If to Parscale Media: | 321 6th St<br>San Antonio, TX 78215:<br>E-mail: brad@parscale.com<br>Attention: Brad Parscale |
| with a copy to: | Jeremy R. Sloan<br>Chunn Price Harris & Sloan<br>1000 Central Parkway N, suite 100,<br>San Antonio, TX 78232<br>Telephone (210) 343.5000<br>Facsimile (210) 525.0960<br>email: jsloan@cphattorneys.com |

**15. Amendments to this Agreement.** No modification, alteration or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed on behalf of each of the parties. No delay or omission by Parscale Media in exercising any right or power vested in it under this Agreement shall impair such right or power or be construed as a waiver of, or acquiescence in, any default or breach by CloudCommerceof any of its obligations under this Agreement.

**16. 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 such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this 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.

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

**18. Governing Law; Submission to Jurisdiction**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada without giving effect to any choice or conflict of law provision or rule (whether of the State of Nevada or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Nevada. Any legal suit, action or proceeding arising out of or based upon 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 Nevada in each case located in the city of Las Vegas and County of Clark and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

**19. Waiver of Jury Trial**. Each 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. Each party to this Agreement certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action; (b) such party has considered the implications of this waiver; (c) such party makes this waiver voluntarily; and (d) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 19.

**20. Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail 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.

**21. No Strict Construction**. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the parties signed the present document the day and year first above written.

**CLOUDCOMMERCE, INC.**

*/s/ Andrew VanNoy*

By: Andrew VanNoy
Title: President

**PARSCALE MEDIA, LLC.**

/s/ Bradley Parscale

By: Bradley Parscale
Title: Manager

**Exhibit 10.4**

# Advisory Agreement

August 1, 2017

Jill Giles
321 Sixth Street
San Antonio, TX 78215

Re: Advisory Agreement

Dear Ms. Giles:

This document serves as a letter of agreement (the "Agreement") for the advisory relationship between CloudCommerce, Inc. (the "Company") and you (the "Advisor").

Section 1. **Services to Be Rendered**

(a) The Company provides advanced e-commerce services to leading brands. Advisor will provide advice to the Company regarding various aspects of the Company's business (the "Services").

Section 2. **Compensation**

(a) Company shall grant Advisor non-qualified options (the "Options") to purchase ten million (10,000,000) shares of the Company's Common Stock at an exercise price of $0.01 per share. Such awarded options vest monthly for three (3) years and the Options expire on August 1, 2022.

Section 3. **Reimbursement of Expenses**

The Company shall reimburse Advisor for authorized expenses incurred by Advisor in the performance of her duties, provided that such expenses are approved in advance, reasonable in amount, incurred for the benefit of the Company, and are supported by itemized accountings and expense receipts submitted to the Company prior to any reimbursement.

Section 4. **Confidentiality**

Advisor shall hold in confidence and not disclose to any person or party any of the valuable, confidential, and proprietary business, financial, technical, economic, sales, and/or other types of proprietary business information relating to the Company (including all trade secrets), in whatever form, whether oral, written, or electronic (collectively, the "Confidential Information"), to which Advisor has, or is given (or has had or been given), access as a result of this engagement and the relationship between the Company and Advisor without appropriate protective treatment of the applicable Confidential Information prior to its disclosure. Section 4 of this Agreement shall survive the termination of this Agreement.

Section 5. **Independent Contractor**

(a) Advisor acknowledges that in performing Services pursuant to this Agreement, Advisor (a) shall be an independent contractor and not an employee of the Company, (b) shall not be entitled to participate in any fringe benefit programs established by the Company for the benefit of its employees, and (c) shall be solely responsible for paying prior to delinquency, and shall indemnify, defend, and hold the Company free and harmless from and against, all income taxes, self-employment taxes, and other taxes (including any interest and penalties with respect thereto) imposed on the fees and expense reimbursements paid by the Company to Advisor pursuant to this Agreement.

Section 6. **General Provisions**

(a) This Agreement executed by Company and Advisor on August 1, 2017 (i) represents the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous understandings, whether written or oral, regarding the subject matter hereof, and (ii) may not be modified or amended, except by a written instrument, executed by the party against whom enforcement of such amendment may be sought.

(b) This agreement shall be construed in accordance with, and governed by, the laws of the State of California, without regard to choice of law rules or the principles of conflict of laws. Venue for any action brought regarding the interpretation or enforcement of this engagement shall lie exclusively in Santa Barbara County, California.

Please confirm the foregoing is in accordance with your understandings and agreements with the Company by signing below. Accepted and agreed as of the date first written above;

**COMPANY**
CloudCommerce, Inc.

*/s/ Andrew Van Noy*
Andrew Van Noy, CEO

Mailing Address:
1933 Cliff Drive Suite 11
Santa Barbara, CA 93109

**ADVISOR**

*/s/ Jill Giles*
Jill Giles

Mailing Address:
321 Sixth Street
San Antonio, TX 78215

**Exhibit 99.1**

# CloudCommerce and Parscale Creative Announce Merger Agreement

**Rapidly growing San Antonio-based provider of enterprise digital marketing services expected to increase the company's size and presence in the marketplace**

SANTA BARBARA, CA – (August 1, 2017) – CloudCommerce, Inc. (CLWD) (the "Company"), a global provider of advanced digital marketing and e-commerce services to leading brands, today announced the execution of a merger agreement under which the Company has acquired 100% of Parscale Creative, Inc. ("Parscale Creative"), a rapidly growing provider of enterprise digital marketing services.

Parscale Creative is comprised of certain assets spun out of Giles-Parscale, Inc., a San Antonio-based firm owned by Brad Parscale and Jill Giles. After closing the transaction today, Parscale Creative was renamed Parscale Digital, Inc. ("Parscale").

Mr. Parscale, will serve on the CloudCommerce Board of Directors and as a consultant to Parscale to provide strategy, vision and leadership. He will continue to provide digital marketing services to his growing base of political clients through his own separate company. Ms. Giles will serve as an advisor to CloudCommerce and as Creative Director of Parscale and focus on growing the value of its enterprise customers.

Founded by Jill Giles and Brad Parscale in 2011, Giles-Parscale fuses quality digital and experiential design with leading-edge web development and digital marketing strategies, a rare combination of design experience and technical expertise. The firm has earned an exceptional reputation for creating highly effective experiential marketing solutions for clients that range from Universal Studios and the San Antonio River Walk to UTSA and the Stock Show & Rodeo.

Giles-Parscale was responsible for all the digital marketing activities of the Donald J. Trump for President campaign and online fundraising efforts. In 2016 Mr. Parscale was officially named Digital Media Director for the Donald J. Trump for President campaign.

Mr. Parscale began working for the Donald J. Trump Organization in 2011, providing website development, design and digital media strategy for Trump International Realty, and subsequently working on projects for Trump Winery and the Eric Trump Foundation.

The consideration for the acquisition of Parscale Creative was $9,000,000 paid in the form of ninety thousand (90,000) shares of the Company's Series D Preferred Stock, with a stated value of $100 per share. Each one (1) share of Series D Preferred Stock is convertible into two thousand five hundred (2,500) shares of the Company's common stock.

Today, CloudCommerce also entered into a definitive agreement to acquire a second company – Parscale Media, LLC (Parscale Media) – a managed hosting solutions provider owned by Mr. Parscale. For over a decade, Parscale Media has provided its customers with advanced managed hosting solutions. The technical experience required to architect, build and manage rapidly scaling websites with increasing demand for security has been their focus since their inception. Parscale Media has over 500 customers, many of which will require digital marketing services from Parscale.

Under the supervision of Mr. Parscale, CloudCommerce will manage the day-to-day operations of Parscale Media until the transaction closes. After the closing, it is anticipated that Mr. Parscale will continue to provide valuable support to CloudCommerce and the hosting business. The closing of this transaction is subject to CloudCommerce's satisfactory review of the operations and audit of financial and corporate records.

These transactions will mark the second and third acquisitions in CloudCommerce's previously announced growth-by-acquisition strategy. The strategy is aimed at providing comprehensive digital solutions for its customers and strengthening the company's position and footprint in the industry.

"These acquisitions are transformational for our company," said Andrew Van Noy, CEO of CloudCommerce, Inc. "Adding these businesses allows us to provide end-to-end holistic and digital marketing solutions for our customers, and brings us an experienced team that will help drive significant future growth. Brad and Jill have done a terrific job creating a trusted brand in the digital marketing and web solutions industry, and we feel very privileged to be working with them."

Mr. Parscale commented, "I'm very excited for my staff and clients to have this great opportunity to take Parscale to even new heights. For nearly two decades my companies have helped clients meet their marketing and business goals. This merger brings even more possibilities and takes us from not just being the best digital and creative shop in San Antonio but now competitive across the entire nation."

In addition to maximizing internal growth, CloudCommerce intends to continue seeking out additional companies to acquire in an effort to form a global family of digital services and solutions to help leading brands successfully conduct business in the cloud.

**About CloudCommerce**

CloudCommerce, Inc. (CLWD) provides advanced e-commerce services to leading brands. Our customers depend on us to help them compete effectively in the $1.6 trillion worldwide e-commerce market. Our comprehensive services include: (1) development of highly customized and sophisticated online stores, (2) real-time integration to other business systems, (3) digital marketing and data analytics, (4) complete and secure site management, and (5) integration to physical stores. Our goal is to become the industry leader by rapidly increasing the number of customers who regularly depend on us and by acquiring other rapidly growing e-commerce service providers. To learn more about CloudCommerce, please visit www.cloudcommerce.com.

**Forward-Looking Statements**

Matters discussed in this shareholder letter contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this press release, the words "anticipate," "believe," "estimate," "may," "intend," "expect" and similar expressions identify such forward-looking statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. These forward-looking statements are based largely on the expectations of the Company and are subject to a number of risks and uncertainties. These risks include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting the Company and its operations, markets, products, and prospects for sales, failure to commercialize our technology, failure of technology to perform as expected, failure to earn profit or revenue, higher costs than expected, persistent operating losses, ownership dilution, inability to repay debt, failure of acquired businesses to perform as expected, the impact on the national and local economies resulting from terrorist actions, and U.S. actions subsequently; and other factors detailed in reports filed by the Company.

**Contact:**

CloudCommerce, Inc.
Tel: 805-964-3313
communications@cloudcommerce.com