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 21, 2020

ORBSAT CORP
(Exact name of registrant as specified in its charter)

Nevada	00-25097	65-0783722
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

18851 N.E. 29th Ave., Suite 700, Aventura, FL 33180
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (305)-560-5355

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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

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

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
N/A	N/A	N/A

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

[ ] Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

On August 21, 2020, Orbsat Corp (the "Company") entered into a Note Purchase Agreement (the "NPA") by and among the Company and certain lenders set forth on the lender schedule to the NPA (the "Lenders"). Pursuant to the terms of the NPA, the Company sold an aggregate principal amount of $933,000 of its convertible promissory notes (the "Notes"). The Notes are general, unsecured obligations of the Company and bear simple interest at a rate of 6% per annum, and mature on the third anniversary of the date of issuance (the "Maturity Date"), to the extent that the Notes and the principal amounts and any interest accrued thereunder have not been converted into shares of the Company's common stock. In the event that any amount due under the Notes is not paid as and when due, such amounts will accrue interest at the rate of 12% per year, simple interest, non-compounding, until paid. The Company may not pre-pay or redeem the Notes other than as required by the Agreement. The Note holders have an optional right of conversion such that a Noteholder may elect to convert his Note, in whole or in part, outstanding as of such time, into the number of fully paid and non-assessable shares of the Company's common stock as determined by dividing the outstanding indebtedness by $0.20, subject to certain adjustments. This optional right of conversion is subject to a beneficial ownership limitation of 9.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to the share issuance upon conversion. The holders of the Notes are granted demand registration rights and pre-emptive rights. In addition, the NPA includes customary events of default, including, among others: (i) non-payment of amounts due thereunder, (ii) non-compliance with covenants thereunder, (iii) bankruptcy or insolvency. Upon the occurrence of an event of default, a majority of the Holders may accelerate the maturity of the Indebtedness. The closing of this offering took place on August 21, 2020.

The Company's issuance of the Notes under the terms of the NPA was made pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering and Regulation D promulgated thereunder. The investors in the Notes were "accredited investors" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act. There were no discounts or brokerage fees associated with this offering.

The Company intends to use the offering proceeds for business development, investment in increased inventory and other strategic growth initiatives, including market expansion and personnel recruitment in North America.

The current report on Form 8-K shall not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company, nor shall there be any sale of the securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

The foregoing description of the NPA is qualified in their entirety by reference to the full text of such agreement, copies of which is attached hereto as Exhibit 10.1 and is incorporated herein in its entirety by reference. The representations, warranties and covenants contained in such document were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and (i) should not be treated as statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in the agreement by disclosures that were made to the other party in connection with the negotiation of the agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of such agreement or such other date or dates as may be specified in the agreement.

Item 3.02. Unregistered Sales of Equity Securities.

The registrant hereby incorporates by reference the disclosure made in Item 1.01 above.

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

On August 21, 2020, the Company's Board of Directors approved and adopted the Company's 2020 Equity Incentive Plan (the "Plan"). The purpose of the Plan is to provide a means for the Company to continue to attract, motivate and retain management, key employees, directors and consultants. The Plan provides that up to a maximum of 2,250,000 shares of the Company's common stock, subject to adjustment, are available for issuance under the Plan. A copy of the Plan is filed as Exhibit 10.2 to this Form 8-K and is incorporated by reference herein.

Following the adoption of the Plan, the Board approved issuances of certain stock options to its executives, directors and employees under the Plan. Specifically, the stock options issued to David Phipps, CEO (400,000), Theresa Carlise, CFO (71,000) and Hector Delgado, a Board member (21,000), all have an exercise price of $0.20 per share, respectively, fully vest upon issuance and expire on August 20, 2030. In addition, the Board approved additional 160,000 stock options to the Company's 7 key employees, on the same terms as those issued to the Company's officers and director. Finally, the Board additionally approved restricted stock awards of 5,000 each to Theresa Carlise and Hector Delgado, as well as a total of 15,000 restricted shares to the Company's 7 key employees.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Note Purchase Agreement by and among the Company and the lenders set forth on the lender schedule to the Note Purchase Agreement dated August 21, 2020.
10.2	2020 Equity Incentive Plan.
99.1	Press release of the Registrant dated August 27, 2020

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 hereunto duly authorized.

ORBSAT CORP

Date: August 27, 2020

By: */s/ David Phipps*
Name: David Phipps
Title: President and Chief Executive Officer

Exhibit 10.1

Note Purchase Agreement

by and among

Orbsat Corp

and

The Lenders Named Herein

Note Purchase Agreement

Dated as of August 21, 2020

This Note Purchase Agreement (together with the Exhibits attached hereto, this "Agreement"), dated as of the date first set forth above (the "Effective Date"), is entered into by and among Orbsat Corp, a Nevada corporation (the "Company"), and the lenders listed on the Schedule of Lenders attached hereto or hereafter added as a party hereto pursuant to the provisions of Section 2.2 (each, a "Lender," and collectively, the "Lenders"). The Company and each Lender may be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company is in need of operating capital; and

WHEREAS, the Board of Directors of the Company (the "Board") has authorized the issuance of convertible promissory notes in the aggregate principal amount of up to $700,000 in this offering (the "Offering"), and the Lenders wish to purchase a portion of such notes on the terms and conditions provided for herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 Definitions. The following terms, as used herein, have the following meanings:

(a) "Action" means any legal action, suit, claim, investigation, hearing or proceeding, including any audit, claim or assessment for taxes or otherwise.

(b) "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

(c) "Business Day" means any day that is not a Saturday, Sunday or other day on which banking institutions in Nevada are authorized or required by law or executive order to close.

(d) "Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise. "Controlled", "Controlling" and "under common Control with" have correlative meanings. Without limiting the foregoing a Person (the "Controlled Person") shall be deemed Controlled by (a) any other Person (the "10% Owner") (i) owning beneficially, as meant in Rule 13d-3 under the Exchange Act, securities entitling such Person to cast 10% or more of the votes for election of directors or equivalent governing authority of the Controlled Person or (ii) entitled to be allocated or receive 10% or more of the profits, losses, or distributions of the Controlled Person; (b) an officer, director, general partner, partner (other than a limited partner), manager, or member (other than a member having no management authority that is not a 10% Owner) of the Controlled Person; or (c) a spouse, parent, lineal descendant, sibling, aunt, uncle, niece, nephew, mother-in-law, father-in-law, sister-in-law, or brother-in-law of an Affiliate of the Controlled Person or a trust for the benefit of an Affiliate of the Controlled Person or of which an Affiliate of the Controlled Person is a trustee.

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

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

(g) “Law” means any domestic or foreign, federal, state, provincial, municipality or local law, statute, ordinance, code, rule, or regulation.

(h) “Majority Lenders” means Lenders holding Notes representing at least a majority of the then-outstanding principal amount under the Notes.

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

(j) “Person” means an individual, corporation, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, association, trust or other entity or organization, including a Governmental Authority, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.

(k) “Representative” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

(l) “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(m) “Transaction Documents” means, collectively, this Agreement; the Notes and all other documents, instruments or agreements entered in connection herewith or therewith, each as amended or otherwise modified from time to time, and all modifications, renewals, replacements, extensions and rearrangements thereof and substitutions and replacements therefor.

Section 1.2 Interpretive Provisions. Unless the express context otherwise requires:

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

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

(c) the terms “Dollars” and “$” mean United States Dollars;

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

(e) wherever the word “include,” “includes,” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”;

(f) references herein to any gender shall include each other gender;

(g) references herein to any Person shall include such Person’s heirs, executors, personal Representatives, administrators, successors and assigns; provided, however, that nothing contained in this Section 1.2(g) is intended toto authorize any assignment or transfer not otherwise permitted by this Agreement;

(h) references herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity;

(i) references herein to any contract or agreement (including this Agreement) mean such contract or agreement as amended, supplemented or modified from time to time in accordance with the terms thereof;

(j) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”;

(k) references herein to any Law or any license mean such Law or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time; and

(l) references herein to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder.

ARTICLE II
SALE OF NOTES AND WARRANTS

Section 2.1 **Authorization of Offering**. The Company has authorized in this Offering the issuance and sale of an aggregate principal amount of $700,000 of its convertible promissory notes, which shall be substantially in the form of Exhibit A attached hereto (the “Notes,” with such term to include any such notes issued in substitution therefor).

Section 2.2 **Purchase and Sale.** Subject to the terms and the conditions of this Agreement, at the Closings provided for in Section 3.1, the Company will issue and sell to each Lender, and each Lender severally and not jointly will purchase from the Company, the Notes in the principal amounts specified on such Lender’s signature page hereof. Such signature page shall set forth the series of the Notes being acquired and the aggregate principal amount thereof.

ARTICLE III
CLOSING; DELIVERIES; CONDITIONS

Section 3.1 Closings. The closing of the issuance, sale and purchase of the Notes to the Lenders may be in one or more closings to be determined by the Company and each applicable Lender (each, a "Closing," and collectively, the "Closings"). The Closings shall take place electronically via the delivery of executed documents and payment of applicable funds, or at such other time and place as the Company and the Lenders purchasing Notes at such Closing agree in writing, and each subsequent Closing shall take place on the date agreed by the Company and each applicable Lender (such date and time of each Closing, each a "Closing Date"). If at the Closing any of the conditions specified in Section 3.5 shall not have been fulfilled or waived, each of the Lenders participating in such Closing shall, at its election, be relieved of all of its obligations under this Agreement to be performed at the Closing without thereby waiving any other rights it may have by reason of such failure or such non-fulfillment.

Section 3.2 Deliveries by the Company. At each Closing, the Company shall deliver the following to each Lender purchasing a Note on the applicable Closing Date a Note duly executed by the Company.

Section 3.3 Deliveries by Each Lender. At each Closing, each Lender purchasing Notes in such Closing shall deliver an amount equal to the principal value of the loan being made at the applicable Closing to the Company by (a) a cashier's check payable to the Company's order or (b) wire transfer of immediately available funds.

Section 3.4 Company's Closing Conditions. The obligations of the Company to issue the Notes to a Lender at each Closing is subject to the satisfaction at or before the Closing Date of the following conditions:

(a) All of the representations and warranties of such Lender contained in this Agreement shall be true and correct in all material respects, other than any representations or warranties qualified as to materiality, which shall be true and correct in all respects, in each case when made and on and as of the Closing Date (with the same effect as though such representations and warranties had been made on and as of the Closing Date), except for such representations and warranties which are made as of a specified date, which shall be true and correct in all respects or in all material respects, as applicable, as of such date.

(b) Such Lender shall have performed or complied with all covenants and conditions required by this Agreement to be performed or complied with by such Lender prior to or at the Closing.

(c) Such Lender shall have delivered to the Company the amount of the loan being made at the applicable Closing by (i) a cashier's check payable to the Company's order or (ii) wire transfer of immediately available funds.

Section 3.5 Lenders' Closing Conditions. Each Lender's obligation to purchase and pay for the Notes to be sold to such Lender at its respective Closing is subject to the satisfaction at or before the Closing Dates of the following conditions:

(a) All of the representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects, other than any representations or warranties qualified as to materiality, which shall be true and correct in all respects, in each case when made and on and as of the Closing Date (with the same effect as though such representations and warranties had been made on and as of the Closing Date), except for such representations and warranties which are made as of a specified date, which shall be true and correct in all respects or in all material respects, as applicable, as of such date.

(b) The Company shall have performed or complied with all covenants and conditions required by this Agreement to be performed or complied with by the Company prior to or at the Closing.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Lender that:

Section 4.1 Corporate Existence. The Company is a corporation duly formed, validly existing and in good standing under the laws of the State of Nevada.

Section 4.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement and the Notes and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and the Notes and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized and no other corporate action is necessary to authorize the execution and delivery by the Company of this Agreement or the Notes or the consummation by it of the transactions contemplated hereby and thereby.

Section 4.3 Binding Agreement. This Agreement has been duly executed and delivered by the Company and, assuming due and valid authorization, execution and delivery hereof by the Lenders, this Agreement constitutes, and, upon execution and delivery thereof, each Note will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally and (b) the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought (the "Bankruptcy and Equity Exceptions").

Section 4.4 Capitalization. The capitalization of the Company is as set forth in the SEC Reports, except as set forth in Schedule 4.4 hereto.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE LENDERS

Each Lender, severally and not jointly, and solely with respect to the Note(s) being acquired by such Lender, represents, warrants and acknowledges to, and covenants and agrees with, the Company as follows:

Section 5.1 **Power and Qualification**. Such Lender is an individual person or an entity and has all requisite power and authority to carry on its business as presently conducted and as proposed to be conducted.

Section 5.2 **Authority.** Such Lender has the right, power, authority and capacity to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations under this Agreement. This Agreement and the other Transaction Documents constitute the legal, valid and binding obligations of such Lender, enforceable against such Lender in accordance with the terms hereof, except as may be limited by the Bankruptcy and Equity Exceptions. The execution and delivery of this Agreement and performance by Lender of the transactions contemplated herein have been duly authorized by all necessary action on the part of Lender.

Section 5.3 **Accredited Investor or Non-U.S. Person** At the time such Lender was offered the Note(s), it was, and as of the date that it acquired any Note(s) it is, an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act (an "Accredited Investor") and/or is a non– "U.S. Person" (as defined in the Securities Act) who is purchasing the Notes pursuant to an offer and sale transaction consummated outside the United States. Lender has the authority and is duly and legally qualified to purchase and own the Notes. The information provided to the Company by such Lender as to the status of such Lender is true and complete in all respects.

Section 5.4 **No Consent.** No consent, approval, authorization or order of, or any filing or declaration with any governmental authority or any other person is required for the consummation by such Lender of any of the transactions on its part contemplated under this Agreement.

Section 5.5 **No Conflict**. None of the execution, delivery, or performance of this Agreement, and the consummation of the transactions contemplated hereby, conflicts or will conflict with, or (with or without notice or lapse of time, or both) result in a termination, breach or violation of (i) any instrument, (including constating documents and shareholder and director resolutions or the like applicable to such Lender), contract or agreement to which Lender is a party or by which it is bound; or (ii) any federal, state, provincial, local or foreign law, ordinance, judgment, decree, order, statute, or regulation, or that of any other governmental body or authority, applicable to Lender.

Section 5.6 **Potential Loss of Investment**. Lender is aware and acknowledges that (a) the Company has a limited operating history, and there is a high degree of risk that the Company will be unable to execute its business strategy successfully; (b) the Notes and the shares of Common Stock issuable on conversion of the Notes (collectively, the "Company Securities") involve a substantial degree of risk of loss of its entire investment and that there is no government or other insurance covering the Securities; (c) Lender, in purchasing the Notes, is relying solely upon the advice of such Lender's advisors (including as to legal, financial and tax matters) with respect to purchasing the Notes; and (d) because there are substantial restrictions on the transferability of the Company Securities it may not be possible for such Lender to liquidate its investment readily. Lender further acknowledges that it has been advised to consult its own legal advisors with respect to the execution, delivery and performance by it of this Agreement and the transactions contemplated by this Agreement, including trading in the Company Securities, and with respect to the hold periods imposed by applicable securities laws, and acknowledges that no representation has been made by the Company respecting the applicable hold periods imposed by applicable securities laws or other resale restrictions applicable to such securities which restrict the ability of such Lender to resell such securities, that such Lender is solely responsible to find out what these resale restrictions are, that such Lender is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions.

Section 5.7 **Receipt of Information**. Lender has received all documents, records, books and other information pertaining to its investment that has been requested by such Lender. Lender was afforded (i) the opportunity to ask such questions as such Lender deemed necessary of, and to receive answers from, representatives of the Company concerning the merits and risks of acquiring the Notes; (ii) the right of access to information about the Company and its financial condition, results of operations, business, assets, properties, management and prospects sufficient to enable such Lender to evaluate the Notes; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to acquiring the Notes.

Section 5.8 **No Advertising**. At no time was such Lender presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer. Such Lender is not purchasing the Notes as a result of any "general solicitation" or "general advertising," as such terms are defined in Regulation D under the Securities Act, which includes, but is not limited to, any advertisement, article, notice or other communication regarding the Notes published in any newspaper, magazine or similar media or on the internet or broadcast over television, radio or the internet or presented at any seminar or any other general solicitation or general advertisement.

Section 5.9 **Investment Purposes**. Such Lender is acquiring the Notes for its own account as principal, not as a nominee or agent, for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof in whole or in part and no other person has a direct or indirect beneficial interest in the Notes such Lender is acquiring herein. Further, such Lender does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Notes such Lender is acquiring.

Section 5.10 **Restricted Securities; Transfer or Re-sale**. Such Lender understands that (i) the sale or re-sale of the Company Securities has not been and is not being registered under the Securities Act or any applicable state securities laws, and the Company Securities may not be transferred unless (1) the Company Securities are sold pursuant to an effective registration statement under the Securities Act, (2) such Lender shall have delivered to the Company, at the cost of such Lender, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in comparable transactions to the effect that the Company Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration, which opinion shall be accepted by the Company, (3) the Company Securities are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the Securities Act (or a successor rule) ("Rule 144")) of such Lender who agrees to sell or otherwise transfer the Company Securities only in accordance with this Section 5.10 and who is an Accredited Investor, (4) the Company Securities are sold pursuant to Rule 144, (5) the Company Securities are sold pursuant to Regulation S under the Securities Act (or a successor rule) ("Regulation D"), or (6) the Company Securities are sold pursuant to the exemption from registration afforded under Section 4(a)(1) or Section 4(a)(7) of the Securities Act, and such Lender shall have delivered to the Company, at the cost of such Lender, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in corporate transactions, which opinion shall be accepted by the Company; (ii) any sale of such Company Securities made in reliance on Rule 144 may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any re-sale of such Company Securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register such Company Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (in each case). Lender may not transfer the Note unless such Lender first physically surrenders the Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of such Lender a new Note of like tenor, registered as the holder (upon payment by the holder of any applicable transfer taxes) may request. Any surrender of this Note to the Company in connection with a transfer as set forth herein shall be at the offices of the Company as set forth in Section 10.14 and, if so required by the Company, the Note shall be accompanied by written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by Lender or by his, her or its attorney duly authorized in writing. Further, such Lender acknowledges that none of the Company Securities will be distributed under a prospectus filed under any applicable securities Laws on the basis that issuance thereof is exempt from such filing and as a result the Company Securities will be subject to statutory resale restrictions under applicable securities Laws, and such Lender covenants that it will not resell the Company Securities except in compliance with such Laws and such Lender acknowledges that it is solely responsible (and the Company is not in any way responsible) for such compliance.

Section 5.11 **No Guarantees**. It has never been represented, guaranteed or warranted to such Lender by the Company, or any of its officers, directors, employees, agents or representatives, or any other Person, expressly or by implication, that:

(a) any gain will be realized by such Lender from such Lender's investment in the Company Securities;

(b) there will be any approximate or exact length of time that such Lender will be required to remain as a holder of any of the Company Securities;

(c) the past performance or experience on the part of the Company, any of its Affiliates, its predecessors or any other Person, will in any way indicate any future results of the Company;

(d) any Person will resell or repurchase any of the Company Securities; or

(e) any Person will refund all or any part of the aggregate offer price for the Notes.

Section 5.12 No Public Market. Such Lender understands that no active trading public market now exists for the Company Securities, and that the Company has made no assurances that a public market will ever exist for the Company Securities.

Section 5.13 Investment Experience. Such Lender, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Company Securities, and has so evaluated the merits and risks of such investment. Such Lender is able to bear the economic risk of an investment in the Notes and, at the present time, is able to afford a complete loss of such investment.

Section 5.14 No Governmental Review. Such Lender understands that no United States federal or state agency or any other Governmental Authority has passed on or made recommendations or endorsement of the Notes or the Company Securities or the suitability of the investment in the Notes or the Company Securities nor have such authorities passed upon or endorsed the merits of the transactions set forth herein.

Section 5.15 Legends. Any legend required by the securities laws of any state or province to the extent such laws are applicable to the Company Securities represented by the certificate or other evidence so legended shall be included on any certificates representing or other applicable evidence of the Company Securities. Such Lenders also understand that the Company Securities may bear the following or a substantially similar legends:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION ARE NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS AND CONDITIONS WHICH ARE SET FORTH HEREIN.

Section 5.16 Investment Purpose. Such Lender understands and acknowledges that (a) the Company Securities have not been registered under the Securities Act or any state securities laws and is being offered and sold in reliance upon exemptions provided in the Securities Act and state securities laws for transactions not involving any public offering and, therefore, cannot be resold or transferred unless they are subsequently registered under the Securities Act and applicable state securities laws or unless an exemption from such registration is available; and (b) each Lender is purchasing the Note for investment purposes only for the account of such Lender.

Section 5.17 **Access to Information**. Such Lender has received, has read carefully and understands this Agreement, the form of Notes attached as Exhibit A and has consulted its own attorney, accountant and/or investment advisor with respect to the transactions contemplated hereby and thereby and its suitability for such Lender. The Company has made available to such Lenders, before the purchase of the Notes, the opportunity to ask questions of and receive answers from management of the Company concerning the terms and conditions of this Agreement and the Notes and to obtain any additional information necessary to verify information contained in the Agreement, the Notes or otherwise related to the financial data and business of the Company, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense, and all such questions, if asked, have been answered satisfactorily and all such documents, if requested, have been found to be satisfactory.

Section 5.18 **Other**. The undersigned hereby acknowledges, agrees with and represents and warrants to the Company that this Offering is limited to accredited investors as defined in Section 2(15) of the Securities Act, and Rule 501 promulgated thereunder, in reliance upon the exemption contained in Section 4(2) of the Securities Act and applicable state securities laws, and that the Securities are being sold without registration under the Securities Act. The Investor has received and reviewed all information and materials regarding the Company that he, she or it has requested, including, without limitation, all reports and other filings made by the Company with the Securities and Exchange Commission (the "SEC") that are available through EDGAR at the SEC's website (www.sec.gov), including, but not limited to: (i) the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and subsequently filed Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, (ii) the Company's Current Reports on Form 8-K furnished to the Commission on March 13, 2020, June 19, 2020, July 17, 2020 and July 21, 2020, respectively, with any amendments to any of the foregoing.

Section 5.19 **No Other Representations, Warranties, Covenants or Agreements of the Company.** Except as set forth in this Agreement or the Note, the Company has not made any representation, warranty, covenant or agreement with respect to the matters contained herein and therein.

Section 5.20 **Source of Funding; Identity**. Such Lender acknowledges, understands, covenants and agrees that the source of payment for such Lender's purchase of Notes is from his, her, their or its own account and that the Company may require additional information regarding (a) the source(s) of the payment for the Notes, and (b) the identity of such Lender, in order to facilitate the Company's compliance with the U.S. Government's anti-money laundering policies and procedures as set out in the USA PATRIOT ACT and elsewhere. Such Lender acknowledges, understands, covenants and agrees that the Company may in the future be required to disclose such Lender's name and other information relating to this Agreement and such Lender's subscription hereunder, on a confidential basis, pursuant to such Laws.

Section 5.21 Personal Information. Such Lender acknowledges that this Agreement and the Exhibits attached hereto require such Lender to provide certain personal information to the Company. Such information is being collected by the Company for the purposes of completing the Offering, which includes, without limitation, determining such Lender's eligibility to purchase the Notes under applicable securities Laws and completing filings required by any applicable securities commission or other regulatory authority. Such Lender's personal information may be disclosed by the Company to: (a) securities commissions or stock exchanges, (b) taxing authorities, and (c) any of the other parties involved in the Offering, including legal counsel to the Company, and may be included in record books in connection with the Offering. By executing this Agreement, such Lender is deemed to be consenting to the foregoing collection, use and disclosure of such Lender's personal information. Such Lender also consents to the filing of copies or originals of any of such Lender's documents described herein as may be required to be filed with any securities commission or stock exchange.

ARTICLE VI
COVENANTS AND ADDITIONAL AGREEMENTS

Section 6.1 Affirmative Covenants. Until the time that all of the Notes have been repaid in full or converted to Common Stock in accordance with their terms, the Company shall, unless agreed otherwise by the prior written approval of the Majority Lenders:

(a) Make all payments under the Notes as and when required;

(b) comply in all material respects with Laws applicable to the Company or its operations; and

(c) maintain and preserve its existence and its rights and privileges and not, by amendment of its Articles of Incorporation or 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 the Notes.

Section 6.2 "Most Favored Nation" (MFN) Provision. During the period beginning on the closing date and ending two years thereafter, if the company shall issue any common stock or securities convertible into or exercisable for shares of common stock or modify any of the foregoing which may be outstanding to any person or entity at a price per share or conversion or exercise price per share which shall be less than $0.20 per share, the "Lower Price Issuance", then the company shall issue such additional units such that the subscriber/lender, shall hold that number of units in total had subscriber/lender purchased the units with the purchase price equal to the lower price issuance common stock issued or issuable by the company, notwithstanding anything herein or in any other agreement to the contrary, the company should only be required to make a single adjustment with respect to any lower price issuance regardless of the existence of multiple bases therefore.

Section 6.3 Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Borrower or any of its subsidiaries of any security, or amendment to a security that was originally issued before the Issue Date, with any term that the Holder reasonably believes is more favorable to the holder of such security or with a term in favor of the holder of such security that the Holder reasonably believes was not similarly provided to the Holder in this Note, then (i) the Borrower shall notify the Holder of such additional or more favorable term within one (1) business day of the issuance and/or amendment (as applicable) of the respective security, and (ii) such term, at Holder's option, shall become a part of the transaction documents with the Holder (regardless of whether the Borrower complied with the notification provision of this Section 6.2). The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, prepayment rate, conversion lookback periods, interest rates, and original issue discounts. If Holder elects to have the term become a part of the transaction documents with the Holder, then the Borrower shall immediately deliver acknowledgment of such adjustment in form and substance reasonably satisfactory to the Holder (the "Acknowledgment") within one (1) business day of Borrower's receipt of request from Holder (the "Adjustment Deadline"), provided that Borrower's failure to timely provide the Acknowledgement shall not affect the automatic amendments contemplated hereby.

Section 6.4 Subsequent Equity Sales. From the date hereof until such time as the Note is no longer outstanding and the Purchaser no longer holds any Notes, the Company will not, without the consent of Purchaser, issue or agree to issue floating or Variable Priced Equity Linked Instruments (subject to adjustment for stock splits, distributions, dividends, recapitalizations and the like) (collectively, a "Variable Rate Transaction"). For purposes hereof, "Variable Priced Equity Linked Instruments" shall include: (A) any debt or equity securities which are convertible into, exercisable or exchangeable for, or carry the right to receive additional shares of Common Stock or common stock equivalents or any of the foregoing at a price that can be reduced either (1) at any conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security, or (2) with a fixed conversion, exercise or exchange price that is subject to being reset at some future date at any time after the initial issuance of such debt or equity security due to a change in the market price of the Company's Common Stock since date of initial issuance, or upon the issuance of any debt, equity or common stock equivalent, and (B) any amortizing convertible security which amortizes prior to its maturity date, where the Company is required or has the option to (or any investor in such transaction has the option to require the Company to) make such amortization payments in shares of Common Stock which are valued at a price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security (whether or not such payments in stock are subject to certain equity conditions). For purposes of determining the total consideration for a convertible instrument (including a right to purchase equity of the Company) issued, subject to an original issue or similar discount or which principal amount is directly or indirectly increased after issuance, the consideration will be deemed to be the actual net cash amount received by the Company in consideration of the original issuance of such convertible instrument. For so long as the Note is outstanding or the Purchaser holds any Notes, the Company will not, without the consent of Purchaser, issue any Common Stock or common stock equivalents to officers, directors, and employees of the Company unless such issuance is an Exempt Issuance pursuant to items 6.5 (b). For purposes hereof a Variable Priced Equity Linked Instrument shall not include an At The Market ("ATM") offering. For so long as the Note is outstanding, the Company will not amend the terms of any securities or common stock equivalents or of any agreement outstanding or in effect as of the date of this Agreement pursuant to which same were or may be acquired, nor issue any Common Stock or common stock equivalents, without the consent of Purchaser, if such issuance or the result of such amendment would be at an effective price per share of Common Stock less than Conversion Price.

Section 6.5 Negative Covenants. Until the time that all of the Notes have been repaid in full or converted to Common Stock in accordance with their terms, the Company shall not, without the prior written approval of the Majority Lenders:

(a) Pay, declare or set apart for such payment, any dividend or other distribution on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock, other than any such payments, dividends or distributions as required pursuant to the terms of the preferred stock of the Company in place as of the Effective Date, excluding up to 100,000 of its common shares, which may be issued for services to various service providers, consultants, etc.;

(b) repurchase or otherwise acquire any shares of capital stock of the Company or any warrants, rights or options to purchase or acquire any such shares, other than as may be required pursuant to the terms of the preferred stock of the Company in place as of the Effective Date, excluding "Exempt Issuances" which are to include, an employee stock option plan, or a similar plan, to grant equity in the Company, to its officers, directors and employees. The Company will implement as approved by its Board of Directors, a new employee stock option plan, to award in aggregate up to 2,250,000 options to purchase the Company's common stock, which will include fully vested granted options for David Phipps, the current Chief Executive Officer of the Company, to acquire shares of Common Stock under the plan equal to 20% of the issued and outstanding shares of Common Stock on a fully diluted basis, at an exercise price of $0.20 per share; or

(c) sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business.

Section 6.6 Withholding. The Parties agree that, with respect to any Non-U.S. Lender (as defined below), the Company shall be entitled to deduct and withhold from any payments made to such Non-U.S. Lender such amounts as required by applicable Laws at the time of such payment, which amounts are currently 30% (or at a lower rate if provided by an applicable tax treaty and the Non-U.S. Lender provides the documentation (generally, IRS Form W-8BEN or W-8BEN-E) required to claim benefits under such tax treaty to the Company). "Non-U.S. Lender" means any Lender who is not a (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) that has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person.

Section 6.7 Participation. In the event that the Company declares or makes any dividend or other distribution of its assets to holders of shares of Common Stock, by way of return of capital or otherwise while the Notes are outstanding, a Lender holding any Note at such time shall be entitled to participate in such distribution to the same extent that the Lender would have participated therein if the Lender had held the number of shares of Common Stock acquirable upon complete conversion of such Lender's Note(s).

ARTICLE VII
PIGGYBACK REGISTRATION RIGHTS

Section 7.1 Definitions. The shares of the Company's Common Stock issued upon conversion of the Notes will be deemed "Registrable Securities" subject to the provisions of this Article VII.

Section 7.2 Piggy-Back Registration Rights. If at any time on or after the date which a Lender has converted any of its Notes into Registrable Securities, and provided that such Lender continues to hold such Registrable Securities at such time, the Company proposes to file any registration statement under the Securities Act (a "Registration Statement") with respect to any offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into, equity securities, by the Company for its own account or for shareholders of the Company for their account (or by the Company and by shareholders of the Company), other than a Registration Statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for a dividend reinvestment plan or (iii) in connection with a merger or acquisition, then the Company shall (x) give written notice of such proposed filing to the applicable Lender as soon as practicable but in no event less than ten (10) days before the anticipated filing date of the Registration Statement, which notice shall describe the amount and type of securities to be included in such Registration Statement, the intended method(s) of distribution, and the name of the proposed managing underwriter or underwriters, if any, of the offering, and (y) offer to applicable Lender in such notice the opportunity to register the sale of such number of Registrable Securities as such applicable Lender may request in writing within five (5) days following receipt of such notice (a "Piggy-Back Registration"). The Company shall cause such Registrable Securities to be included in such registration and shall cause the managing underwriter or underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. If such applicable Lender proposes to distribute its Registrable Securities through a Piggy-Back Registration that involves an underwriter or underwriters, then it shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such Piggy-Back Registration.

Section 7.3 Limitations. If a Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company and the holders of Registrable Securities (if any holders of Registrable Securities have elected to include Registrable Securities in such Piggyback Registration) in writing that in its reasonable and good faith opinion the number of shares of Common Stock proposed to be included in such registration, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration or takedown would adversely affect the price per share of the Common Stock to be sold in such offering, the Company shall include in such registration (i) first, the shares of Common Stock that the Company proposes to sell; (ii) second, the shares of Common Stock requested to be included therein by the applicable Lender; and (iii) third, the shares of Common Stock requested to be included therein by holders of Common Stock other than holders of Registrable Securities, allocated among such holders in such manner as they may agree.

Section 7.4 Withdrawal. A Lender may elect to withdraw such applicable Lender's request for inclusion of Registrable Securities in any Piggy-Back Registration by giving written notice to the Company of such request to withdraw prior to the effectiveness of the Registration Statement. The Company (whether on its own determination or as the result of a withdrawal by persons making a demand pursuant to written contractual obligations) may withdraw a Registration Statement at any time prior to the effectiveness of such Registration Statement. Notwithstanding any such withdrawal, the Company shall pay all expenses incurred by each applicable Lender of Registrable Securities in connection with such Piggy-Back Registration as provided in Section 7.7.

Section 7.5 Notification. The Company shall notify each holder of Registrable Securities at any time when a prospectus relating to such applicable Lender's Registrable Securities is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. At the request of the applicable Lender, the Company shall also prepare, file and furnish to the applicable Lender a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the applicable Lender, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Each applicable Lender shall not offer or sell any Registrable Securities covered by the Registration Statement after receipt of such notification until the receipt of such supplement or amendment.

Section 7.6 Information. The Company may request that each applicable Lender furnish the Company such information with respect to such applicable Lender and such applicable Lender's proposed distribution of the Registrable Securities pursuant to the Registration Statement as the Company may from time to time reasonably request in writing or as shall be required by law or by the Securities and Exchange Commission (the "SEC") in connection therewith, and such applicable Lender shall furnish the Company with such information.

Section 7.7 Fees and Expenses. All fees and expenses incident to the performance of or compliance with this Article VII by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the SEC, (B) with respect to filings required to be made with any trading market on which the common stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) with respect to any filing that may be required to be made by any broker through which the applicable Lender of Registrable Securities intends to make sales of Registrable Securities with the Financial Industry Regulatory Authority, (ii) printing expenses, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other persons or entities retained by the Company in connection with the consummation of the transactions contemplated by this Article VII. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Article VII (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of applicable Lender.

Section 7.8 Indemnification.

(a) Indemnification by the Company. The Company and its successors and assigns shall indemnify and hold harmless each applicable Lender, the officers, directors, members, partners, agents and employees (and any other individuals or entities with a functionally equivalent role of a person holding such titles, notwithstanding a lack of such title or any other title) of applicable Lender, each individual or entity who controls applicable Lender (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and the officers, directors, members, partners, agents and employees (and any other individuals or entities with a functionally equivalent role of a person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling individual or entity (each, a "Lender Party"), to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) liabilities, obligations, contingencies, damages, and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees, costs of investigation (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any related prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any such prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Article VII, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based upon information regarding an applicable Lender furnished to the Company by such party for use therein. The Company shall notify each applicable Lender promptly of the institution, threat or assertion of any proceeding arising from or in connection with the transactions contemplated by this Article VII of which the Company is aware.

(b) Indemnification by Lender. Each applicable Lender and its successors and assigns shall indemnify and hold harmless the Company, the officers, directors, members, partners, agents and employees (and any other individuals or entities with a functionally equivalent role of a person holding such titles, notwithstanding a lack of such title or any other title) of the Company, each individual or entity who controls the company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, partners, agents and employees (and any other individuals or entities with a functionally equivalent role of a person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling individual or entity (each, a "Company Party", with a Lender Party and Company Party each being referred to as an "Indemnified Party"), to the fullest extent permitted by applicable law, from and against any and all Losses, as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any related prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any such prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Article VII, but only to the extent that such untrue statements or omissions are based upon information regarding such applicable Lender furnished to the Company by such party for use therein. Each applicable Lender shall notify the Company promptly of the institution, threat or assertion of any proceeding arising from or in connection with the transactions contemplated by this Article VII of which such applicable Lender is aware.

(c) Contribution. If the indemnification under Section 7.8(a) or Section 7.8(b), as applicable, is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then the party responsible for indemnifying the Indemnified Party (the "Indemnifying Party") shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, the Indemnifying Party or the Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any reasonable attorneys' or other fees or expenses incurred by such party in connection with any proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in Section 3(a) was available to such party in accordance with its terms. It is agreed that it would not be just and equitable if contribution pursuant to this Section 7.8(c) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding sentence.

(d) Indemnification Generally. The provisions of this Section 7.8 shall be read, and shall be operative. For the avoidance of doubt, this Section 7.8 shall only apply to a Lender who elects to participate in a Piggyback Registration pursuant to this Article VII.

ARTICLE VIII
PRE-EMPTIVE RIGHTS

Section 8.1 Rights. Subject to the terms and conditions of this Article VIII and applicable securities laws, for so long as a Lender continues to hold any of (i) the applicable Note, or (ii) any shares of Common Stock issued to such Lender upon conversion of the Note, if the Company proposes to offer or sell any New Securities (as defined below) between the Effective Date and the one year anniversary of the Effective Date (the "Rights Term"), the Company shall first offer such New Securities to the Lenders pursuant to the terms and conditions of this Article VIII. Each Lender shall thereafter have the right to acquire its Pro Rata Portion (as defined below) of the New Securities in accordance with the terms and conditions of this Article VIII.

Section 8.2 Definitions. For purposes of this Article VIII:

(a) "New Securities" means, collectively, equity securities or debt securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

(b) "Pro Rata Portion" means, with respect to each Lender, a fraction (A) the numerator of which is equal to the initial aggregate principal amount of the Note(s) acquired by such Lender (B) the denominator of which is equal to the initial aggregate principal amount of the Note(s) acquired by all Lenders.

Section 8.3 Notice.

(a) The Company shall give notice (the "Offer Notice") to the Lenders, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within ten (10) days after the Offer Notice is given, each Lender may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals such Lender's Pro Rata Portion. Once a Lender elects to purchase its Pro Rata Portion of the New Securities via notice to the Company, such Lender shall thereafter be obligated to purchase such Pro Rata Portion of the New Securities and may not withdraw its election without the prior written consent of the Company in its sole discretion. The closing of any sale pursuant to this Section 8.3(b) shall occur within ninety (90) days of the date that the Offer Notice is given.

(c) If none of the New Securities referred to in the Offer Notice are elected to be purchased or acquired as provided in Section 8.3(b), the Company may, during the ninety (90) day period following the expiration of the 10 day period commencing on the delivery of the Offer Notice, offer and sell the New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If a portion of the New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 8.3(b), the Company may, during the ninety (90) day period following the expiration of the 10 day period commencing on the delivery of the Offer Notice, offer and sell such unsubscribed portion of the New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice (with, for the avoidance of doubt, the subscribed portion of the New Securities being sold to the Lender(s) who elected to acquire their Pro Rata Portion of the New Securities as set forth in Section 8.3(b)). If the Company does not enter into an agreement for the sale of the New Securities within such period(s), or if such agreement is not consummated within thirty (30) days of the execution thereof, the rights provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Lenders in accordance with this Article VIII.

Section 8.4 Exclusion. Notwithstanding the foregoing or anything herein to the contrary, the rights of the Lenders set forth in this Article VIII shall not be applicable to any New Securities issued:

(a) for compensatory or incentive purposes to officers, employees or directors of, or consultants to, the Company or any of its Affiliates including, without limitation, the grant of stock options, deferred share units, restricted share units or restricted shares, duly adopted for such purposes by a majority of the non-employee members of the board of directors of the Company or a majority of the members of the committee of nonemployee members of the board of directors established for such purpose;

(b) pursuant to a rights offering by the Company or pursuant to a stockholder rights plan of the Company that is carried out on a pro rata basis among all holders of the applicable class of securities of the Company;

(c) upon the exercise, conversion or exchange of any securities exercisable, convertible or exchangeable for or into shares of Common Stock (including, without limitation, the Notes);

(d) any exchange of shares of preferred stock of the Company which are issued and outstanding as of the Effective Date for any other equity securities or debt securities of the Company (including, without limitation, any promissory notes);

(e) pursuant to any over-allotment option granted to the underwriters in a securities offering;

(f) as a result of the consolidation or subdivision of any securities of the Company, or as a special distribution or stock dividend or similar transaction that is carried out on a pro rata basis among all holders of the applicable class of securities of the Company; or

(g) in connection with or pursuant to any merger, business combination, joint venture, exchange offer, take-over bid, arrangement, amalgamation, asset purchase transaction or acquisition of assets or shares of a third party where such transaction is approved by a majority of the disinterested directors of the Company.

Section 8.5 Requirements. Each Lender, as a condition precedent to the exercise of such Lender's right pursuant to this Article VIII, shall execute such documents and complete such actions as reasonably required by the Company in connection therewith.

Section 8.6 Termination. The rights of the Lenders pursuant to this Article VIII shall terminate and be of no further force or effect upon the expiration of the Rights Term or upon any liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, a merger or consolidation of the Company where the Company is not a surviving entity, or a sale of all or substantially all of the assets of the Company.

ARTICLE IX
EVENTS OF DEFAULT

Section 9.1 Event of Default. The Majority Lenders may elect to declare an "Event of Default" if any of the following conditions or events shall occur and be continuing:

(a) the Company fails to pay the then-outstanding principal amount and accrued interest on the Notes on any date any such amounts become due and payable, and any such failure is not cured within ten Business Days of written notice thereof by any Lender;

(b) the Company fails to comply in any material respect with any other covenant or agreement hereunder and any such failure is not cured within five Business Days of written notice thereof by any Lender;

(c) the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator; (ii) make a general assignment for the benefit of the Company's creditors; or (iii) commence a voluntary case under the U.S. Bankruptcy Code as now and hereafter in effect, or any successor statute; or

(d) a proceeding or case shall be commenced, without the application or consent of the Company, in any court of competent jurisdiction, seeking (i) liquidation, reorganization or other relief with respect to it or its assets or the composition or readjustment of its debts, or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of any substantial part of its assets, and, in each case, such proceedings or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 days, if in the United States, or 90 days, if outside of the United States; or an order for relief against the Company shall be entered in an involuntary case under any bankruptcy, insolvency, composition, readjustment of debt, liquidation of assets or similar law of any jurisdiction.

Section 9.2 Consequences of Events of Default. If an Event of Default has occurred and is continuing (i) the Majority Lenders may, by notice to the Company, declare all or any portion of the then outstanding principal amount of the Notes, together with all accrued and unpaid interest thereon, and the Notes shall thereupon become, immediately due and payable in cash and (ii) each of the Lenders shall have the right to pursue any other remedies that the Lenders may have under applicable Law.

ARTICLE X
MISCELLANEOUS

Section 10.1 Arbitration.

(a) The Parties shall promptly submit any dispute, claim, or controversy arising out of or relating to this Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance, or enforcement of this Agreement) or any alleged breach thereof (including any action in tort, contract, equity, or otherwise), to binding arbitration before one arbitrator (the "Arbitrator"). Binding arbitration shall be the sole means of resolving any dispute, claim, or controversy arising out of or relating to this Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance or enforcement of this Agreement) or any alleged breach thereof (including any claim in tort, contract, equity, or otherwise).

(b) If the Company and the Majority Lenders cannot agree upon the Arbitrator within ten (10) Business Days of the commencement of the efforts to so agree on an Arbitrator, the Company and the Majority Lenders shall select one arbitrator and the two arbitrators so selected shall select the Arbitrator.

(c) The laws of the State of Nevada shall apply to any arbitration hereunder. In any arbitration hereunder, this Agreement and any agreement contemplated hereby shall be governed by the laws of the State of Nevada applicable to a contract negotiated, signed, and wholly to be performed in the State of Nevada, which laws the Arbitrator shall apply in rendering his decision. The Arbitrator shall issue a written decision, setting forth findings of fact and conclusions of law, within sixty (60) days after he shall have been selected. The Arbitrator shall have no authority to award punitive or other exemplary damages.

(d) The arbitration shall be held in West Palm Beach, Florida in accordance with and under the then-current provisions of the rules of the American Arbitration Association, except as otherwise provided herein.

(e) On application to the Arbitrator, any Party shall have rights to discovery to the same extent as would be provided under the Federal Rules of Civil Procedure, and the Federal Rules of Evidence shall apply to any arbitration under this Agreement; provided, however, that the Arbitrator shall limit any discovery or evidence such that his decision shall be rendered within the period referred to in Section 10.1(c).

(f) The Arbitrator may, at his discretion and at the expense of the Party who will bear the cost of the arbitration, employ experts to assist him in his determinations.

(g) The costs of the arbitration proceeding and any proceeding in court to confirm any arbitration award or to obtain relief, as applicable (including actual attorneys' fees and costs), shall be borne by the unsuccessful Party and shall be awarded as part of the Arbitrator's decision, unless the Arbitrator shall otherwise allocate such costs in such decision. The determination of the Arbitrator shall be final and binding upon the Parties and not subject to appeal.

(h) Any judgment upon any award rendered by the Arbitrator may be entered in and enforced by any court of competent jurisdiction. The Parties expressly consent to the non-exclusive jurisdiction of the courts (Federal and state) in Palm Beach County, Florida to enforce any award of the Arbitrator or to render any provisional, temporary, or injunctive relief in connection with or in aid of the Arbitration. The Parties expressly consent to the personal and subject matter jurisdiction of the Arbitrator to arbitrate any and all matters to be submitted to arbitration hereunder. None of the Parties hereto shall challenge any arbitration hereunder on the grounds that any party necessary to such arbitration (including the Parties) shall have been absent from such arbitration for any reason, including that such Party shall have been the subject of any bankruptcy, reorganization, or insolvency proceeding.

Section 10.2 Governing Law; Consent to Jurisdiction. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Nevada, without application of the conflicts of laws provisions thereof. Each Party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a Party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in Palm Beach County, Florida (the "Selected Courts"). Each Party hereto hereby irrevocably submits to the exclusive jurisdiction of the Selected Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Selected Courts, or such Selected Courts are improper or inconvenient venue for such proceeding. Each Party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such Party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof.

Section 10.3 Waiver of Jury Trial; Exemplary Damages

(a) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 10.3(a).

(b) Each of the Parties acknowledge that each has been represented in connection with the signing of the waiver set forth in Section 10.3(a) by independent legal counsel selected by the respective Party and that such Party has discussed the legal consequences and import of such waiver with legal counsel. Each of the Parties further acknowledge that each has read and understands the meaning of such waiver and grants such waiver knowingly, voluntarily, without duress and only after consideration of the consequences of this waiver with legal counsel.

(c) IN NO EVENT WILL ANY PARTY BE LIABLE TO ANY OTHER PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT OR IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREIN FOR SPECIAL, GENERAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING DAMAGES FOR LOST PROFITS OR LOST OPPORTUNITY, EVEN IF THE PARTY SOUGHT TO BE HELD LIABLE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

Section 10.4 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by them in accordance with the terms hereof or were otherwise breached and that each Party hereto shall be entitled to an injunction or injunctions, specific performance and other equitable relief to prevent breaches of the provisions hereof and to enforce specifically the terms and provisions hereof, without the proof of actual damages, in addition to any other remedy to which they are entitled at law or in equity. Each Party agrees to waive any requirement for the security or posting of any bond in connection with any such equitable remedy, and agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that (a) the other Party has an adequate remedy at law, or (b) an award of specific performance is not an appropriate remedy for any reason at law or equity.

Section 10.5 Attorneys' Fees. In the event that any Party institutes any action or suit to enforce this Agreement or to secure relief from any default hereunder or breach hereof, the prevailing Party shall be reimbursed by the losing Party for all costs, including reasonable attorney's fees, incurred in connection therewith and in enforcing or collecting any judgment rendered therein.

Section 10.6 Brokers. The Parties agree that there were no finders or brokers involved in bringing the Parties together or who were instrumental in the negotiation, execution or consummation of this Agreement. Each Party agrees to indemnify each other Party against any claim by any Person for any commission, brokerage, or finder's fee arising from the transactions contemplated hereby based on any alleged agreement or understanding between the indemnifying Party and such Person, whether express or implied from the actions of the indemnifying Party.

Section 10.7 Severability. Any term or provision of this Agreement or the Notes that is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or thereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof or thereof is invalid, void or unenforceable, each of the Company and the Lenders agrees that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision; to delete specific words or phrases; or to replace any invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable term or provision.

Section 10.8 Entire Agreement. This Agreement and the Notes constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and negotiations, whether written or oral, of the Parties.

Section 10.9 Arm's Length Bargaining; No Presumption Against Drafter. This Agreement has been negotiated at arm's-length by parties of equal bargaining strength, each represented by counsel or having had but declined the opportunity to be represented by counsel and having participated in the drafting of this Agreement. This Agreement creates no fiduciary or other special relationship between the Parties, and no such relationship otherwise exists. No presumption in favor of or against any Party in the construction or interpretation of this Agreement or any provision hereof shall be made based upon which Person might have drafted this Agreement or such provision.

Section 10.10 Further Assurances. From time to time, whether at or following a Closing, each Party shall make reasonable commercial efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable, including as required by applicable laws, to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement. Each Party's representations and warranties hereunder shall survive the Closings.

Section 10.11 Amendment; Waiver. This Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), only upon the written consent of the Company and the Majority Lenders. Any Note may be amended, and the observance of any term thereof may be waived (either retroactively or prospectively), only upon the written consent of the Company and Lender holding such applicable Note. Notwithstanding any other terms of this Agreement, this Agreement and the number and identity of the Lenders may be amended after the initial Closing to add Lenders participating in subsequent Closings without the consent of any Party hereto other than the Company.

Section 10.12 Transferability. Neither this Agreement nor the Notes may be assigned or transferred, directly or indirectly, by any Lender to any Person without the prior written consent of the Company. Any purported transfer of this Agreement or the Notes in violation of this Section 10.12 shall be null and void.

Section 10.13 Transaction Expenses. Other than as specifically set forth herein, each Party shall pay its own costs and expenses (including attorneys' fees) in connection with the preparation and closing of the transactions contemplated by this Agreement and the Notes.

Section 10.14 Notices.

(a) Any notice or other communications required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered to it or sent by email, overnight courier or registered mail or certified mail, postage prepaid, addressed as follows:

If to the Company, to:

Orbsat Corp
Attn: David Phipps
18851 NE 29th Avenue, Suite 700
Aventura, FL 33180
Email: tcarlise@orbsat.com / dphipps@orbsat.com

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

Schiff Hardin LLP
Attn: Ralph DeMartino
901 K Street NW, Suite 700
Washington D.C. 20001
Email: RDeMartino@schiffhardin.com

If to a Lender, to its mailing address and email address set forth on their signature page as attached hereto.

(b) Any Party may change its address for notices hereunder upon notice to each other Party in the manner for giving notices hereunder.

(c) Any notice hereunder shall be deemed to have been given (i) upon receipt, if personally delivered, (ii) on the day after dispatch, if sent by overnight courier, (iii) upon dispatch, if transmitted by email with return receipt requested and received and (iv) three (3) days after mailing, if sent by registered or certified mail.

Section 10.15 Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and shall in no way be construed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction or meaning of any provision of, or scope or intent of, this Agreement nor in any way affect this Agreement.

Section 10.16 Confidentiality. Each Party agrees that, unless and until the transactions contemplated by this Agreement have been consummated, it and its Representatives will hold in strict confidence all data and information obtained with respect to another Party or any subsidiary thereof from any Representative, officer, director or employee, or from any books or records or from personal inspection, of such other Party, and shall not use such data or information or disclose the same to others, except (i) to the extent such data or information is published, is a matter of public knowledge, or is required by Law to be published; (ii) to the extent that such data or information must be used or disclosed in order to consummate the transactions contemplated by this Agreement or (iii) to the extent that such use or disclosure is otherwise permitted by this Agreement. In the event of the termination of this Agreement, each Party shall return to the applicable other Party all documents and other materials obtained by it or on its behalf and shall destroy all copies, digests, work papers, abstracts or other materials relating thereto, and each Party will continue to comply with the confidentiality provisions set forth herein.

Section 10.17 Public Announcements and Filings. Unless required by applicable Law or regulatory authority, none of the Parties will issue any report, statement or press release to the general public, to the trade, to the general trade or trade press, or to any third party (other than its advisors and Representatives in connection with the transactions contemplated hereby) or file any document, relating to this Agreement and the Offering, except as may be mutually agreed by the Parties. Copies of any such filings, public announcements or disclosures, including any announcements or disclosures mandated by Law or regulatory authorities, shall be delivered to each Party at least one (1) business day prior to the release thereof, provided, however, that the Company shall not be required to deliver any post-closing filing related to the transactions contemplated herein that will be filed with the SEC pursuant to the requirements of the Exchange Act.

Section 10.18 Third Party Beneficiaries. This contract is strictly between the Parties and, except as specifically provided, no other Person and no director, officer, stockholder, employee, agent, independent contractor or any other Person shall be deemed to be a third-party beneficiary of this Agreement.

Section 10.19 Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the Parties bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not, but only to the extent that Section 10.12 hereof has been complied with.

Section 10.20 Confidentiality. Except as required by law, each Lender agrees that it shall keep confidential and shall not disclose or divulge any confidential, proprietary or secret information that such Lender may obtain from the Company pursuant to its operating agreement, financial statements, reports and other materials submitted by the Company to such Lender pursuant to this Agreement or otherwise, or pursuant to visitation or inspection rights granted under this Agreement, unless such information is known, or until such information becomes known, to the public; provided that a Lender may disclose such information (a) to its attorneys, accountants, consultants and other professionals to the extent necessary to obtain their services in connection with its investment in the Company, or (b) to any affiliate of such Lender or to a partner, member or stockholder of such Lender.

Section 10.21 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall be but a single instrument. The execution and delivery of a facsimile or other electronic transmission of a signature to this Agreement shall constitute delivery of an executed original and shall be binding upon the person whose signature appears on the transmitted copy.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly signed as of the Effective Date.

Orbsat Corp

By: */s/ David Phipps*
Name: David Phipps
Title: Chief Executive Officer

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly signed as of the Effective Date.

Lender Name: _____

By: _____

Name: _____

Title: _____

Initial Principal Amount of Note to be acquired: _____

Address for Notice

_____

_____

_____

Tax Identification or Social Security #:

_____

SCHEDULE 4.4 CAPITALIZATION

	Authorized	Issued and Outstanding	Options and Warrants exercisable within 60 days	Convertible into Common Equivalents at $0.20 per share	Total
Common Stock, par value $0.0001	50,000,000	278,766			278,766
Options and Warrants exercisable within 60 days			43,044		43,044
Debt convertible into shares of Common Stock at $0.20 per share				3,687,102	3,687,102
Preferred Stock, par value $0.0001, none issued and outstanding	3,333,333				-
Total	53,333,333	278,766	43,044	3,687,102	4,008,912

Exhibit A

Form of Note

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION ARE NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS AND CONDITIONS WHICH ARE SET FORTH HEREIN.

Principal Amount: **$_____** **Issue Date: August 21, 2020**

Orbsat Corp

6% CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, pursuant to the terms and conditions of this Convertible Promissory Note (this "Note"), Orbsat Corp, a Nevada corporation (the "Company"), hereby promises to pay to the order of _____, or registered assigns (the "Holder"), on the third anniversary of the Issue Date as set forth above or earlier as required pursuant to the Agreement, as defined below (as applicable, the "Maturity Date"), **$**_____ (the "Principal Amount"), and to pay interest on the outstanding Principal Amount at the rate of six percent (6%) per annum, simple interest, in each case to the extent that this Note and the Principal Amount and any accrued interest hereunder (the "Indebtedness") has not been converted into Shares (as defined below) prior to the Maturity Date. Interest shall commence accruing on the date hereof (the "Issue Date"), computed on the basis of a 365-day year and the actual number of days elapsed, and shall be payable as set forth herein.

This Note is entered into pursuant to a Note Purchase Agreement by and between the Company and the Holder (the "Agreement") and is subject to the terms and conditions thereof. This Note will rank senior in right of payment to the Company's capital stock. This Note is not a certificate of deposit or similar obligation of, and is not guaranteed or insured by, any depository institution, the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation or any other governmental or private fund or entity.

The following terms shall apply to this Note:

Section 1. Definitions. Defined terms used herein without definition have the meanings given them in the Agreement. In addition, for the purposes hereof, "Shares" means shares of Common Stock of the Company.

Section 2. Interest; Late Fees; Prepayment; Default.

(a) Interest on this Note shall accrue on a simple interest, non-compounded basis, and shall be added to the Principal Amount on the Maturity Date or such earlier date as the Indebtedness may be due hereunder pursuant to Section 2(b), at which time all Indebtedness shall be due and payable, unless earlier converted into Conversion Shares (as defined below). In the event that any amount due hereunder is not paid as and when due, such amounts shall accrue interest at the rate of 12% per year, simple interest, non-compounding, until paid. The Company may not pre-pay or redeem this Note other than as required herein or by the Agreement, without mutual consent, between the individual Lender and the Company, in regard to each respective Note.

(b) Upon the declaration by the Majority Lenders of an Event of Default pursuant to the Agreement and notice by the Majority Lenders to the Company as required by the Agreement, the Indebtedness shall be immediately due and payable in full.

(c) Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

Section 3. Conversion.

(a) Optional Conversion. Subject to the terms and conditions herein, at any time following the Issue Date, the Holder may elect to convert this Note and all, but only all, of the Indebtedness outstanding as of such time into such number of fully paid and non-assessable Shares (the "Conversion Shares") as is determined by dividing the Indebtedness by $0.20 (the "Conversion Price").

(b) Adjustments. The Conversion Price shall be subject to proportional and equitable adjustments following the Issue Date for splits, combinations or dividends relating to the Shares, or combinations, recapitalization, reclassifications, extraordinary distributions and similar events that occur on or after the Issue Date.

(c) Mechanics of Conversion. Holder shall effect conversions pursuant to Section 3(a) by submitting to the Company a Notice of Conversion in the form as attached hereto as Exhibit A and surrendering this Note as required herein. The conversion shall be effected as of the date set forth in the Notice of Conversion (the "Conversion Date"). Not later than three Business Days after each Conversion Date (the "Delivery Date"), the Company as soon as permitted under applicable law shall immediately issue (including by way of a share certificate or a direct registration system statement) to the Holder the number of Conversion Shares issuable to Holder hereunder in connection with such conversion. Notwithstanding anything herein to the contrary, if the Shares are listed or quoted for public trading as of a Delivery Date, the Company may deliver the Conversion Shares electronically through the Depository Trust Company or another established clearing corporation performing similar functions. In order to effect a conversion of this Note, and as a condition precedent thereto, the Holder shall be required to, and hereby agrees to, execute and join any stockholders' agreement or similar agreement relating to the Company and its shareholders, or to any successor entity to the Company and its members or shareholders, as requested by the Company.

(d) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall be required to physically surrender this Note to the Company. The Company shall maintain records showing the amount of Indebtedness converted and the Conversion Date. In the event of any dispute or discrepancy, such records of the Company shall, prima facie, be controlling and determinative in the absence of manifest error. Any surrender of this Note to the Company shall be at the offices of the Company at the address as set forth in the Agreement and, if so required by the Company, this Note shall be accompanied by written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by Holder or by his, her or its attorney duly authorized in writing.

(e) Transfer Taxes and Expenses. Subject to the provisions of the Agreement relating to withholding of taxes in respect of non-United States persons, the issuance of Conversion Shares on conversion of this Note shall be made without charge to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holder and the Company shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

(f) Status as Shareholder. Upon submission of a Notice of Conversion by a Holder (i) this Note shall be deemed converted into Shares and (ii) the Holder's rights as a Holder of this Note shall cease and terminate, excepting only the right to receive certificates or other evidence for such Shares as set out herein and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Company to comply with the terms of this Note.

Section 4. Conversion Limitations. The Company shall not effect any conversion of this Note this Note, and a Holder shall not have the right to convert any portion of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other Notes or Warrants) beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 4, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4 applies, the determination of whether this Note is convertible (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which principal amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other securities owned by the Holder together with any Affiliates or Attribution Parties) and which principal amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this Section 4 and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the SEC, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Business Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note by the Holder. The Beneficial Ownership Limitation provisions of this Section 4 shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4 to correct this Section 4 (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this Section 4 shall apply to a successor holder of this Note.

Section 5. Transfers to Comply with the Agreement. This Note and any Shares issuable upon conversion of this Note may not be sold or transferred other than in compliance with the Agreement.

Section 6. Unsecured Obligations. This Note and the amounts payable hereunder, including principal and accrued interest are general unsecured obligations of the Company.

Section 7. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided hereunder shall be given in accordance with the provisions of the Agreement.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay principal, damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of this Note, and of the ownership hereof reasonably satisfactory to the Company.

(d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada without regard to the principles of conflict of laws thereof.

(e) Incorporation of Provisions. The provisions of Article X of the Agreement (Miscellaneous) shall apply to this Note as though fully set forth herein, provided that each reference thereto to the "Agreement" shall be deemed a reference to this Note, each reference to a "Lender" shall be deemed a reference to the Holder, and each reference to the "Parties" or a "Party" shall be deemed a reference to the Company and the Holder.

(f) Entire Agreement. This Note (including any recitals hereto) and the Agreement set forth the entire understanding of the parties with respect to the subject matter hereof, and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any party in connection with the negotiation of the terms hereof, and may be modified only by instruments signed by all of the parties hereto.

(g) Currency. All dollar amounts are in U.S. dollars.

(h) **THE SECURITIES EVIDENCED BY THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND NO INTEREST MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES, (B) THIS COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL FOR THE HOLDER OF THESE SECURITIES SATISFACTORY TO THIS COMPANY STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION, OR (C) THIS COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.**

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the Issue Date.

Orbsat Corp

By: */s/ David Phipps*

Name: David Phipps

Title: Chief Executive Officer

EXHIBIT A - NOTICE OF CONVERSION

The undersigned hereby elects to convert the full amount of principal and interest pursuant to the convertible promissory note (the "Note") of Orbsat Corp., a Nevada corporation (together with any successor entity thereto, the "Company") into that number of Shares (as defined in the Note) to be issued pursuant to the conversion of the Note and according to the conditions of the Note, as of the date written below.

The undersigned hereby requests that the Company issue a certificate or certificates, or other permissible evidence of Shares as set forth in the Note, for the number of Shares set forth below (which numbers are based on the Holder's calculation attached hereto and which shall be confirmed by, and subject to acceptance by, the Company) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: _____

Address: _____

_____

_____

_____

Holder EIN / SS # _____

Date of Conversion: _____, 20____

Applicable Conversion Price: $_____

Number of Shares to be Issued: _____
Shares

Holder Name: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit 10.2

Orbsat Corp 2020 Equity Incentive Plan

Section 1. Establishment and Purpose.

1.1 The purpose of the Plan is to attract and retain outstanding individuals as Employees, Directors and Consultants of the Company and its Subsidiaries, to recognize the contributions made to the Company and its Subsidiaries by Employees, Directors and Consultants, and to provide such Employees, Directors and Consultants with additional incentive to expand and improve the profits and achieve the objectives of the Company and its Subsidiaries, by providing such Employees, Directors and Consultants with the opportunity to acquire or increase their proprietary interest in the Company through receipt of Awards.

Section 2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

2.1 "Award" means any award or benefit granted under the Plan, which shall be a Stock Option, a Stock Award, a Stock Unit Award or an SAR.

2.2 "Award Agreement" means, as applicable, a Stock Option Agreement, Stock Award Agreement, Stock Unit Award Agreement or SAR Agreement evidencing an Award granted under the Plan.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Change in Control" has the meaning set forth in Section 8.2 of the Plan.

2.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.6 "Committee" means the Compensation Committee of the Board or such other committee as may be designated by the Board from time to time to administer the Plan, or, if no such committee has been designated at the time of any grants, it shall mean the Board.

2.7 "Company" means Orbsat Corp, a Nevada corporation.

2.8 "Consultant" means any person, including an advisor, who is engaged by the Company or a Subsidiary to render consulting or advisory services and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

2.9 "Director" means a director of the Company who is not an employee of the Company or a Subsidiary.

2.10 "Effective Date" means August 21, 2020.

2.11 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

2.12 "Fair Market Value" means as of any date, the closing price of a Share on the national securities exchange on which the Shares are listed, or, if the Shares are not listed on a national securities exchange, the over-the-counter market on which the Shares trades, or, if the Shares is not listed on a national securities exchange or an over-the-counter market, as determined by the Board as of such date in accordance with the requirements of Code Section 422 or 409A, as applicable, or, if no trading occurred on such date, as of the trading day immediately preceding such date.

2.13 "Incentive Stock Option" or "ISO" means a Stock Option granted under Section 5 of the Plan that meets the requirements of Section 422(b) of the Code or any successor provision.

2.14 "Employee" means an employee of the Company or any Subsidiary selected to participate in the Plan in accordance with Section 3. A Employee may also include a person who is granted an Award (other than an Incentive Stock Option) in connection with the hiring of the person prior to the date the person becomes an employee of the Company or any Subsidiary, provided that such Award shall not vest prior to the commencement of employment.

2.15 "Family Member" unless otherwise defined by applicable tax laws, shall mean any child, stepchild, grandchild, parent, stepparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee of the Participant), a trust in which such persons have more than fifty percent (50%) of the beneficial interest, a foundation in which such persons (or the Participant) control the management of assets, and any other entity in which such persons (or the Participant) own more than fifty percent (50%) of the voting interests.

2.16 "Founder" means the Company's founder David Phipps.

2.17 "Non-Qualified Stock Option" or "NSO" means a Stock Option granted under Section 5 of the Plan that is not an Incentive Stock Option.

2.18 "Participant" means an Employee, Director or Consultant selected to receive an Award or Option under the Plan.

2.19 "Plan" means this 2020 Equity Incentive Plan.

2.20 "Shares" means shares of common stock of the Company.

2.21 "Stock Appreciation Right" or "SAR" means a grant of a right to receive Shares or cash under Section 8 of the Plan.

2.22 "Stock Award" means a grant of Shares under Section 6 of the Plan.

2.23 "Stock Option" means an Incentive Stock Option or a Non-Qualified Stock Option granted under Section 5 of the Plan.

2.24 "Stock Unit Award" means a grant of a right to receive Shares or cash under Section 7 of the Plan.

2.25 "Subsidiary" means an entity of which the Company is the direct or indirect beneficial owner of not less than 50% of all issued and outstanding equity interest of such entity.

2.26 "Termination of Service" means a termination of a Participant's service with the Company or a Subsidiary, as applicable, for any reason, including, without limitation, disability or death. In the event Termination of Service shall constitute a payment event with respect to any Award subject to Code Section 409A, Termination of Service shall only be deemed to occur upon a "separation from service" as such term is defined under Code Section 409A.

Section 3. Administration.

3.1 The Committee.

The Plan shall be administered by the Company's Board of Directors, "Board".

3.2 Authority of the Committee.

(a) The Board, in its sole discretion, shall determine the Employees, Directors and Consultants to whom, and the time or times at which Awards will be granted, the form and amount of each Award, the expiration date of each Award, the time or times within which the Awards may be exercised, the cancellation of the Awards and the other limitations, restrictions, terms and conditions applicable to the grant of the Awards. The terms and conditions of the Awards need not be the same with respect to each Participant or with respect to each Award.

(b) To the extent permitted by applicable law, regulation, and rules of a stock exchange on which the Shares are listed or traded, the Committee may delegate its authority to grant Awards to Employees and to determine the terms and conditions thereof to such officer of the Company as it may determine in its discretion, on such terms and conditions as it may impose, except with respect to Awards to officers subject to Section 16 of the Exchange Act.

(c) The Board may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or other action made or taken pursuant to the Plan, including interpretation of the Plan and the specific terms and conditions of the Awards granted hereunder, shall be final and conclusive for all purposes and upon all persons.

(d) No member of the Board shall be liable for any action taken or determination made hereunder in good faith. The Board shall be entitled to indemnification and reimbursement as Directors of the Company pursuant to the Company's Certificate of Incorporation and By-Laws.

3.3 Award Agreements.

(a) Each Award shall be evidenced by a written Award Agreement specifying the terms and conditions of the Award. In the sole discretion of the Committee, the Award Agreement may condition the grant of an Award upon the Participant's entering into one or more of the following agreements with the Company: (i) an agreement not to compete with the Company and its Subsidiaries which shall become effective as of the date of the grant of the Award and remain in effect for a specified period of time following termination of the Participant's employment with the Company; (ii) an agreement to cancel any employment agreement, fringe benefit or compensation arrangement in effect between the Company and the Participant; and (iii) an agreement to retain the confidentiality of certain information. Such agreements may contain such other terms and conditions as the Committee shall determine. If the Participant shall fail to enter into any such agreement at the request of the Committee, then the Award granted or to be granted to such Participant shall be forfeited and cancelled.

Section 4. Shares Subject to Plan.

4.1 Total Number of Shares.

(a) The total number of Shares that may be issued under the Plan shall be 2,250,000. Such Shares may be either authorized but unissued shares or treasury shares, and shall be adjusted in accordance with the provisions of Section 4.3 of the Plan.

(b) The number of Shares delivered by a Participant or withheld by the Company on behalf of any such Participant as full or partial payment of an Award, including the exercise price of a Stock Option or of any required withholding taxes, shall not again be available for issuance pursuant to subsequent Awards, and shall count towards the aggregate number of Shares that may be issued under the Plan. Any Shares purchased by the Company with proceeds from a Stock Option exercise shall not again be available for issuance pursuant to subsequent Awards, shall count against the aggregate number of Shares that may be issued under the Plan and shall not increase the number of shares available under the Plan.

(c) If there is a lapse, forfeiture, expiration, termination or cancellation of any Award for any reason (including for reasons described in Section 3.3), or if Shares are issued under such Award and thereafter are reacquired by the Company pursuant to rights reserved by the Company upon issuance thereof, the Shares subject to such Award or reacquired by the Company shall again be available for issuance pursuant to subsequent Awards, and shall not count towards the aggregate number of Shares that may be issued under the Plan.

4.2 Shares Under Awards.

Of the Shares authorized for issuance under the Plan pursuant to Section 4.1:

(a) The maximum number of Shares as to which an Employee (other than the CEO to whom no annual limit is applicable) may receive Stock Options or SARs in any calendar year is 200,000, except that the maximum number of Shares as to which an Employee (other than the CEO) may receive Stock Options or SARs in the calendar year in which such Employee begins employment with the Company or its Subsidiaries is 50,000, or as specified in Employee's employment agreement.

(b) The maximum number of Shares that may be subject to Stock Options (ISOs and/or NSOs) is full amount of Shares authorized under Section 4.1.

(c) The maximum number of Shares that may be used for Stock Awards and/or Stock Unit Awards that may be granted to any Employee (other than the Founder) in any calendar year is 200,000, or, in the event the Award is settled in cash, an amount equal to the Fair Market Value or such value as determined by the Board at its discretion, of such number of Shares on the date on which the Award is settled.

(d) The maximum number of Shares subject to Awards granted under the Plan or otherwise during any one calendar year to any Director for service on the Board, taken together with any cash fees paid by the Company to such Director during such calendar year for service on the Board, will not exceed $100,000 in total value (calculating the value of any such Awards based on the grant date fair value or such value as determined by the Board, at its discretion, of such Awards for financial reporting purposes).

(e) The maximum number of Shares subject to Stock Options or SARs, granted under the Plan or otherwise during any one calendar year to any Consultant for services, taken together with any cash fees paid by the Company to such Consultant during such calendar year for services, will not exceed $100,000 in total value (calculating the value of any such Awards based on the grant date fair value, or such value as the Board determines at its discretion, of such Awards for financial reporting purposes).

The numbers of Shares described herein shall be as adjusted in accordance with Section 4.3 of the Plan.

4.3 Adjustment.

In the event of any reorganization, recapitalization, stock split, stock distribution, merger, consolidation, split-up, spin-off, combination, subdivision, consolidation or exchange of shares, any change in the capital structure of the Company or any similar corporate transaction, the Committee shall make such adjustments as it deems appropriate, in its sole discretion, to preserve the benefits or intended benefits of the Plan and Awards granted under the Plan. Such adjustments may include: (a) adjustment in the number and kind of shares reserved for issuance under the Plan; (b) adjustment in the number and kind of shares covered by outstanding Awards; (c) adjustment in the exercise price of outstanding Stock Options or SARs or the price of Stock Awards or Stock Unit Awards under the Plan; (d) adjustments to any of the shares limitations set forth in Section 4.1 or 4.2 of the Plan; and (e) any other changes that the Committee determines to be equitable under the circumstances.

Section 5. Grants of Stock Options.

5.1 Grant.

Subject to the terms of the Plan, the Committee may from time to time grant Stock Options to Participants. Stock Options granted under the Plan to Employees shall be NSOs unless the Award Agreement expressly provides that the Stock Option is an ISO. Stock Options granted under the Plan to Consultants and Directors who are not Employees shall be NSOs.

5.2 Stock Option Agreement.

The grant of each Stock Option shall be evidenced by a written Stock Option Agreement specifying the type of Stock Option granted, the exercise period, the exercise price, the terms for payment of the exercise price, the expiration date of the Stock Option, the number of Shares to be subject to each Stock Option and such other terms and conditions established by the Committee, in its sole discretion, not inconsistent with the Plan.

5.3 Exercise Price and Exercise Period.

With respect to each Stock Option granted to a Participant:

(a) The per Share exercise price of each Stock Option shall be determined by the Board in the exercise of its discretion.

Fair Market Value, as determined by the Company's Board of Directors, at its discretion, of the Shares subject to the Stock Option on the date on which the Stock Option is granted, but such exercise price shall not be less than its par value.

(b) Each Stock Option shall become exercisable as provided in the Stock Option Agreement; provided that the Committee shall have the discretion to accelerate the date as of which any Stock Option shall become exercisable.

(c) No dividends or dividend equivalents shall be paid with respect to any Shares subject to a Stock Option prior to the exercise of the Stock Option.

(d) Each Stock Option shall expire, and all rights to purchase Shares thereunder shall expire, on the tenth anniversary of the date the Stock Option was granted, unless an earlier expiration date is specified in the Award Agreement or dictated by Section 5.4.

5.4 Required Terms and Conditions of ISOs.

In addition to the foregoing, each ISO granted to an Employee shall be subject to the following specific rules:

(a) The aggregate Fair Market Value or Exercise Price (determined with respect to each ISO at the time such Option is granted) of the Shares with respect to which ISOs are exercisable for the first time by an Employee during any calendar year (under all incentive stock option plans of the Company and its Subsidiaries) shall not exceed the fair market value. If the aggregate Fair Market Value (determined at the time of grant) of the Shares subject to an ISO which first becomes exercisable in any calendar year exceeds the limitation of this Section 5.4(a), so much of the ISO that does not exceed the applicable dollar limit shall be an ISO and the remainder shall be a NSO; but in all other respects, the original Stock Option Agreement shall remain in full force and effect.

(b) Notwithstanding anything herein to the contrary, if an ISO is granted to an Employee who owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company (or its parent or subsidiaries within the meaning of Section 422(b)(6) of the Code): (i) the purchase price of each Shares subject to the ISO shall be not less than 110% of the Fair Market Value of the Shares on the date the ISO is granted; and (ii) the ISO shall expire, and all rights to purchase Shares thereunder shall expire, no later than the fifth anniversary of the date the ISO was granted.

(c) No ISOs shall be granted under the Plan after ten years from the earlier of the date the Plan is adopted or approved by shareholders of the Company.

5.5 Exercise of Stock Options.

(a) A Participant entitled to exercise a Stock Option may do so by delivering written notice to that effect specifying the number of Shares with respect to which the Stock Option is being exercised and any other information the Committee may prescribe. All notices or requests provided for herein shall be delivered to the Chief Financial Officer of the Company.

(b) The Committee in its sole discretion may make available one or more of the following alternatives for the payment of the Stock Option exercise price: (i) in cash; (ii) in cash received from a broker-dealer to whom the Participant has submitted an exercise notice together with irrevocable instructions to deliver promptly to the Company the amount of sales proceeds from the sale of the Shares subject to the Stock Option to pay the exercise price; (iii) by directing the Company to withhold such number of Shares otherwise issuable in connection with the exercise of the Stock Option having an aggregate Fair Market Value, or such value as determined by the Board, at its discretion, equal to the exercise price; or (iv) by delivering previously acquired Shares that are acceptable to the Committee and that have an aggregate Fair Market Value on the date of exercise equal to the Stock Option exercise price, except as otherwise may be determined by the Board in the exercise of its discretion.

The Committee shall have the sole discretion to establish the terms and conditions applicable to any alternative made available for payment of the Stock Option exercise price.

(c) Except to the extent inconsistent with the terms of the applicable Award Agreement and/or the provisions of Section 9, the following terms and conditions shall apply with respect to a Participant's Termination of Service, as applicable:

(i) The Participant's rights, if any, to exercise any vested Stock Option and/or SAR shall terminate ninety (90) days after the date of such Termination of Service, provided that if such termination is on account of the Participant's death or disability (as defined under Code Section 422(c)(6)), one (1) year after the date of such Termination of Service; and

(ii) Upon such applicable date the Participant (or other legal representative) shall forfeit any rights or interests in or with respect to any such Award. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide for a different time period in the Award Agreement, or may extend the time period, following a Termination of Service, during which the Participant has the right to exercise any vested NSO or SAR, which time period may not extend beyond the expiration date of the Award term.

Section 6. Stock Awards.

6.1 Grant.

The Committee may, in its discretion, (a) grant Shares under the Plan to any Participant without consideration from such Participant or (b) sell Shares under the Plan to any Participant for such amount of cash, Shares or other consideration as the Committee deems appropriate.

6.2 Stock Award Agreement.

Each Shares granted or sold hereunder shall be subject to such restrictions, conditions and other terms as the Committee may determine at the time of grant or sale, the general provisions of the Plan, the restrictions, terms and conditions of the related Stock Award Agreement, and the following specific rules:

(a) The Award Agreement shall specify whether the Shares are granted or sold to the Participant and such other provisions, not inconsistent with the terms and conditions of the Plan, as the Committee shall determine.

(b) The restrictions to which the Shares awarded hereunder are subject shall lapse as provided in Stock Award Agreement; provided that the Committee shall have the discretion to accelerate the date as of which the restrictions lapse with respect to any Award held by a Participant.

(c) Except as provided in this subsection (c) and unless otherwise set forth in the related Stock Award Agreement, the Participant receiving a grant of or purchasing Shares shall thereupon be a shareholder of the Company with respect to such Shares and shall have the rights of a shareholder of the Company with respect to such Shares, including the right to vote such Shares and to receive dividends and other distributions paid with respect to such Shares; provided that any dividends or other distributions payable with respect to the Stock Award shall be accumulated and held by the Company and paid to the Participant only upon, and to the extent, the restrictions lapse in accordance with the terms of the applicable Stock Award Agreement. Any such dividends or other distributions held by the Company attributable to the portion of a Stock Award that is forfeited shall also be forfeited.

Section 7. Stock Unit Awards.

7.1 Grant.

The Committee may, in its discretion, grant Stock Unit Awards to any Participant. Each Stock Unit subject to the Award shall entitle the Participant to receive, on the date or the occurrence of an event (including the attainment of performance goals) as described in the Stock Unit Award Agreement, a Share or cash equal to the Fair Market Value of a Share on the date of such event as provided in the Stock Unit Award Agreement.

7.2 Stock Unit Agreement.

Each Stock Unit Award shall be subject to such restrictions, conditions and other terms as the Committee may determine at the time of grant, the general provisions of the Plan, the restrictions, terms and conditions of the related Stock Unit Award Agreement and the following specific rules:

(a) The Stock Unit Agreement shall specify such provisions, not inconsistent with the terms and conditions of the Plan, as the Committee shall determine.

(b) The restrictions to which the Shares of Stock Units awarded hereunder are subject shall lapse as provided in Stock Unit Agreement; provided that the Committee shall have the discretion to accelerate the date as of which the restrictions lapse with respect to any Award held by a Participant.

(c) Except as provided in this subsection (c) and unless otherwise set forth in the Stock Unit Agreement, the Participant receiving a Stock Unit Award shall have no rights of a shareholder of the Company, including voting or dividends or other distributions rights, with respect to any Stock Units prior to the date they are settled in Shares; provided that a Stock Unit Award Agreement may provide that until the Stock Units are settled in Shares or cash, the Participant shall be entitled to receive on each dividend or distribution payment date applicable to the Shares an amount equal to the dividends or other distributions that the Participant would have received had the Stock Units held by the Participant as of the related record date been actual Shares. Such amounts shall be accumulated and held by the Company and paid to the Participant only upon, and to the extent, the restrictions lapse in accordance with the terms of the applicable Stock Unit Award Agreement. Such amounts held by the Company attributable to the portion of the Stock Unit Award that is forfeited shall also be forfeited.

Section 8. SARs.

8.1 Grant.

The Committee may grant SARs to Participants. Upon exercise, an SAR entitles the Participant to receive from the Company the number of Shares having an aggregate Fair Market Value equal to the excess of the Fair Market Value of one Share as of the date on which the SAR is exercised over the exercise price, multiplied by the number of Shares with respect to which the SAR is being exercised. The Committee, in its discretion, shall be entitled to cause the Company to elect to settle any part or all of its obligations arising out of the exercise of an SAR by the payment of cash in lieu of all or part of the Shares it would otherwise be obligated to deliver in an amount equal to the Fair Market Value of such Shares on the date of exercise. Cash shall be delivered in lieu of any fractional Shares. The terms and conditions of any such Award shall be determined at the time of grant.

8.2 SAR Agreement.

(a) Each SAR shall be evidenced by a written SAR Agreement specifying the terms and conditions of the SAR as the Committee may determine, including the SAR exercise price, expiration date of the SAR, the number of Shares to which the SAR pertains, the form of settlement and such other terms and conditions established by the Committee, in its sole discretion, not inconsistent with the Plan.

(b) The per Share exercise price of each SAR shall not be less than 100% of the Fair Market Value of a Share on the date the SAR is granted.

(c) Each SAR shall expire and all rights thereunder shall cease on the date fixed by the Committee in the related SAR Agreement, which shall not be later than the ten years after the date of grant; provided however, if a Participant is unable to exercise an SAR because trading in the Shares is prohibited by law or the Company's insider-trading policy, the SAR exercise date shall be extended to the date that is 30 days after the expiration of the trading prohibition.

(d) Each SAR shall become exercisable as provided in the related SAR Agreement; provided that notwithstanding any other Plan provision, the Committee shall have the discretion to accelerate the date as of which any SAR shall become exercisable.

(e) No dividends or dividend equivalents shall be paid with respect to any SAR prior to the exercise of the SAR.

(f) A person entitled to exercise an SAR may do so by delivery of a written notice in accordance with procedures established by the Committee specifying the number of Shares with respect to which the SAR is being exercised and any other information the Committee may prescribe. As soon as reasonably practicable after the exercise of an SAR, the Company shall (i) issue the total number of full Shares to which the Participant is entitled and cash in an amount equal to the Fair Market Value, as of the date of exercise, of any resulting fractional Share, and (ii) if the Committee causes the Company to elect to settle all or part of its obligations arising out of the exercise of the SAR in cash, deliver to the Participant an amount in cash equal to the Fair Market Value, as of the date of exercise, of the Shares it would otherwise be obligated to deliver.

Section 9. Change in Control.

9.1 Effect of a Change in Control.

(a) Notwithstanding any of the provisions of the Plan or any outstanding Award Agreement, upon a Change in Control of the Company (as defined in Section 9.2), the Board is authorized and has sole discretion to provide that (i) all outstanding Awards shall become fully exercisable, (ii) all restrictions applicable to all Awards shall terminate or lapse and (iii) performance goals applicable to any Awards shall be deemed satisfied at the highest level, as applicable, in order that Participants may realize the benefits thereunder.

(b) In addition to the Board's authority set forth in Section 3, upon such Change in Control of the Company, the Board is authorized and has sole discretion as to any Award, either at the time such Award is granted hereunder or any time thereafter, to take any one or more of the following actions without Participant consent: (i) provide for the purchase of any vested or unvested outstanding Stock Option, for an amount of cash equal to the difference between the exercise price and the then Fair Market Value of the Shares covered thereby; (ii) make such adjustment to any such Award then outstanding as the Board deems appropriate to reflect such Change in Control; and (iii) cause any such Award then outstanding to be assumed by or substituted for another form of Award issued by the surviving corporation after such Change in Control.

9.2 Definition of Change in Control.

"Change in Control" of the Company shall be deemed to have occurred if at any time during the term of an Award granted under the Plan any of the following events occurs:

(a) any Person (other than the Company, a trustee or other fiduciary holding securities under an employee benefit plan of the Company, or a corporation owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of Shares) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors ("Person" and "Beneficial Owner" being defined in Rule 13d-3 of the General Rules and Regulations of the Exchange Act);

(b) the Company is party to a merger, consolidation, reorganization or other similar transaction with another corporation or other Person unless, following such transaction, more than 50% of the combined voting power of the outstanding securities of the surviving, resulting or acquiring corporation or Person or its parent entity entitled to vote generally in the election of directors (or Persons performing similar functions) is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Company's outstanding securities entitled to vote generally in the election of directors immediately prior to such transaction, in substantially the same proportions as their ownership, immediately prior to such transaction, of the Company's outstanding securities entitled to vote generally in the election of directors;

(c) the election to the Board, without the recommendation or approval of two-thirds of the incumbent Board, of the lesser of: (i) three Directors; or (ii) Directors constituting a majority of the number of Directors of the Company then in office; provided, however, that Directors whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of Directors of the Company will not be considered as incumbent members of the Board for purposes of this Section; or

(d) there is a complete liquidation or dissolution of the Company, or the Company sells all or substantially all of its business and/or assets to another corporation or other Person unless, following such sale, more than 50% of the combined voting power of the outstanding securities of the acquiring corporation or Person or its parent entity entitled to vote generally in the election of directors (or Persons performing similar functions) is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Company's outstanding securities entitled to vote generally in the election of directors immediately prior to such sale, in substantially the same proportions as their ownership, immediately prior to such sale, of the Company's outstanding securities entitled to vote generally in the election of directors.

In no event, however, shall a Change in Control be deemed to have occurred, with respect to a Participant, if that Participant is part of a purchasing group which consummates the Change in Control transaction. A Participant shall be deemed "part of a purchasing group" for purposes of the preceding sentence if the Participant is an equity participant or has agreed to become an equity participant in the purchasing company or group (except for (a) passive ownership of less than 3% of the shares of the purchasing company; or (b) ownership of equity participation in the purchasing company or group which is otherwise not deemed to be significant, as determined prior to the Change in Control by a majority of the disinterested Directors).

Section 10. Payment of Taxes.

(a) In connection with any Award, and as a condition to the issuance or delivery of any Shares to the Participant in connection therewith, the Company shall require the Participant to pay the Company the minimum amount of federal, state, local or foreign taxes required to be withheld, and in the Company's sole discretion, the Company may permit the Participant to pay the Company up to the maximum individual statutory rate of applicable withholding.

(b) The Company in its sole discretion may make available one or more of the following alternatives for the payment of such taxes: (i) in cash; (ii) in cash received from a broker-dealer to whom the Participant has submitted notice together with irrevocable instructions to deliver promptly to the Company the amount of sales proceeds from the sale of the Shares subject to the Award to pay the withholding taxes; (iii) by directing the Company to withhold such number of Shares otherwise issuable in connection with the Award having an aggregate Fair Market Value equal to the minimum amount of tax required to be withheld; (iv) by delivering previously acquired Shares of the Company that are acceptable to the Board that have an aggregate Fair Market Value equal to the amount required to be withheld; or (v) by certifying to ownership by attestation of such previously acquired Shares.

The Committee shall have the sole discretion to establish the terms and conditions applicable to any alternative made available for payment of the required withholding taxes.

Section 11. Section 409A.

Notwithstanding any other provision of the Plan, the Committee shall have no authority to issue an Award under the Plan with terms and/or conditions which would cause such Award to constitute non-qualified "deferred compensation" under Section 409A of the Code unless such Award shall be structured to be exempt from or comply with all requirements of Code Section 409A. The Plan and all Award Agreements are intended to comply with the requirements of Section 409A of the Code (or to be exempt therefrom) and shall be so interpreted and construed and no amount shall be paid or distributed from the Plan unless and until such payment complies with all requirements of Code Section 409A. It is the intent of the Company that the provisions of this Agreement and all other plans and programs sponsored by the Company be interpreted to comply in all respects with Code Section 409A, however, the Company shall have no liability to the Participant, or any successor or beneficiary thereof, in the event taxes, penalties or excise taxes may ultimately be determined to be applicable to any payment or award under the Plan.

Section 12. Postponement.

The Committee may postpone any grant or settlement of an Award or exercise of a Stock Option or SAR for such time as the Board in its sole discretion may deem necessary in order to permit the Company:

(a) to effect, amend or maintain any necessary registration of the Plan or the Shares issuable pursuant to an Award, including upon the exercise of a Stock Option or SAR, under the Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction;

(b) to permit any action to be taken in order to (i) list such Shares on a stock exchange if Shares are then listed on such exchange or (ii) comply with restrictions or regulations incident to the maintenance of a public market for its Shares, including any rules or regulations of any stock exchange on which the Shares are listed; or

(c) to determine that such Shares and the Plan are exempt from such registration or that no action of the kind referred to in (b)(ii) above needs to be taken; and the Company shall not be obligated by virtue of any terms and conditions of any Award or any provision of the Plan to sell or issue Shares in violation of the Securities Act of 1933 or the law of any government having jurisdiction thereof.

Any such postponement shall not extend the term of an Award and shall comply with all requirements of Code Section 409A, and neither the Company nor its Directors or officers shall have any obligation or liability to a Participant, the Participant's successor or any other person with respect to any Shares as to which the Award shall lapse because of such postponement.

Section 13. Nontransferability.

Awards granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner, or be subject to execution, attachment or similar process, by operation of law or otherwise, except (i) by will or by the laws of descent and distribution, or (ii) where permitted under applicable tax rules, by gift to any Family Member of the Participant, subject to compliance with applicable laws. An Award may be exercisable during the lifetime of the Participant only by such Participant or by the Participant's guardian or legal representative unless it has been transferred by gift to a Family Member of the Participant, in which case it shall be exercisable solely by such transferee. Notwithstanding any such transfer, the Participant shall continue to be subject to the withholding requirements provided for under Section 10.

Section 14. Delivery of Shares.

Shares issued pursuant to a Stock Award, the exercise of a Stock or SAR or the settlement of a Stock Unit Award shall be represented by share certificates or on a non-certificated basis, with the ownership of such Shares by the Participant evidenced solely by book entry in the records of the Company's transfer agent; provided, however, that upon the written request of the Participant, the Company shall issue, in the name of the Participant, share certificates representing such Shares. Notwithstanding the foregoing, Shares granted pursuant to a Stock Award shall be held by the Secretary of the Company until such time as the Shares are forfeited or settled.

Section 15. Termination or Amendment of Plan and Award Agreements.

15.1 Termination or Amendment of Plan.

(a) Except as described in Section 15.3 below, the Board may terminate, suspend, or amend the Plan, in whole or in part, from time to time, without the approval of the shareholders of the Company, unless such approval is required by applicable law, regulation or rule of any stock exchange on which the Shares are listed. No amendment or termination of the Plan shall adversely affect the right of any Participant under any outstanding Award in any material way without the written consent of the Participant, unless such amendment or termination is required by applicable law, regulation or rule of any stock exchange on which the Shares are listed. Subject to the foregoing, the Committee may correct any defect or supply an omission or reconcile any inconsistency in the Plan or in any Award granted hereunder in the manner and to the extent it shall deem desirable, in its sole discretion, to effectuate the Plan.

(b) The Board shall have the authority to amend the Plan to the extent necessary or appropriate to comply with applicable law, regulation or accounting rules in order to permit Participants who are located outside of the United States to participate in the Plan.

15.2 Amendment of Award Agreements.

The Committee shall have the authority to amend any Award Agreement at any time; provided however, that no such amendment shall adversely affect the right of any Participant under any outstanding Award Agreement in any material way without the written consent of the Participant, unless such amendment is required by applicable law, regulation or rule of any stock exchange on which the Shares are listed.

15.3 No Repricing of Stock Options.

Notwithstanding the foregoing, and except as described in Section 4.3, there shall be no amendment to the Plan or any outstanding Stock Option Agreement or SAR Agreement that results in the repricing of Stock Options or SARs without shareholders' approval. For this purpose, repricing includes (i) a reduction in the exercise price of the Stock Option or SARs or (ii) the cancellation of a Stock Option in exchange for cash, Stock Options or SARs with an exercise price less than the exercise price of the cancelled Options or SARs, other Awards or any other consideration provided by the Company, but does not include any adjustment described in Section 4.3.

Section 16. No Contract of Employment.

Neither the adoption of the Plan nor the grant of any Award under the Plan shall be deemed to obligate the Company or any Subsidiary to continue the employment of any Participant for any particular period, nor shall the granting of an Award constitute a request or consent to postpone the retirement date of any Participant.

Section 17. Applicable Law.

All questions pertaining to the validity, construction and administration of the Plan and all Awards granted under the Plan shall be determined in conformity with the laws of the state of Nevada, without regard to the conflict of law provisions of any state, and, in the case of Incentive Stock Options, Section 422 of the Code and regulations issued thereunder.

Section 18. Effective Date and Term of Plan.

18.1 Effective Date.

The Plan shall be effective as of the Effective Date, provided that the Plan is approved by the shareholders of the Company within twelve (12) months of such date. Awards may be granted or awarded prior to such shareholder approval, provided that such Awards shall not be exercisable, shall not vest and the restrictions thereon shall not lapse prior to the time when the Plan is approved by the shareholders, and provided further that if such approval has not been obtained at the end of said twelve month period, all Awards previously granted or awarded under the Plan shall thereupon be canceled and become null and void. The Plan is intended to supersede and replace any and all prior equity plans sponsored by the Company with respect to any authorized shares not made subject to any award under such plans prior to the effective date of this Plan. Any outstanding awards under prior plans shall continue to be subject to and governed by the terms of such plans.

18.2 Term of Plan.

Notwithstanding anything to the contrary contained herein, no Awards shall be granted on or after the tenth anniversary of the adoption of this Plan.

PLAN ADOPTION AND AMENDMENTS/ADJUSTMENTS
SUMMARY PAGE

Date of Board Action	Action	Section/Effect of Amendment	Date of Shareholder Approval
August 21, 2020	**Initial Plan Adoption**		**_____, 202__**

Exhibit 99.1

Orbsat Corp Closes Private Placement

AVENTURA, FL – August 27, 2020 – Orbsat Corp (OTCQB: OSAT) ("Orbsat" or the "Company"), a global provider of communication solutions for connectivity to the world through next-generation satellite technology, today announced the closing of private placement of its securities. The Company raised gross proceeds of $933,000, before offering expenses, through sales of its 3-year 6% unsecured convertible promissory notes to accredited investors, including current and new shareholders.

The Company intends to use the offering proceeds for business development, investment in increased inventory and other strategic growth initiatives including market expansion and personnel recruitment in North America.

The securities sold in the private placement have not been registered under the Securities Act of 1933, as amended, or any state or other applicable jurisdiction's securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities laws.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Additional details regarding the private placement are included in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2020.

About Orbsat Corp

Orbsat provides services and solutions to fulfill the rapidly growing global demand for satellite-based voice, high-speed data, tracking and IoT connectivity services. Building upon its long-term experience providing government, commercial, military and individual consumers with Mobile Satellite Services, Orbsat is positioned to capitalize on the significant opportunities being created by global investments in new and upgraded satellite networks. Orbsat's US and European based subsidiaries, Orbital Satcom and Global Telesat Communications, have provided global satellite connectivity solutions to more than 35,000 customers located in over 160 countries across the world.

Forward-Looking Statements

This release contains forward-looking statements, and any statements other than statements of historical fact could be deemed to be forward-looking statements. These forward-looking statements include, among other things, statements regarding the expected use of proceeds from the private placement. These statements are based on management's current expectations and actual results and future events may differ materially due to risks and uncertainties, including risks related to the Company's liquidity and ability to fund operating and capital expenses, risks related to potential delays or failures in development, production and commercialization of products, risks related to the Company's reliance on third parties, and other risks detailed from time to time in filings the Company makes with the Securities and Exchange Commission, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company disclaims any obligation to update information contained in these forward-looking statements, whether as a result of new information, future events, or otherwise.

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