

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

**FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

i3 Verticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

7389

(Primary Standard Industrial
Classification Code Number)

82-4052852

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

**40 Burton Hills Blvd., Suite 415
Nashville, TN 37215
(615) 465-4487**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

**Paul Maple
General Counsel and Secretary
40 Burton Hills Blvd., Suite 415
Nashville, TN 37215
(615) 465-4487**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**J. Page Davidson
Jay H. Knight
Bass, Berry & Sims PLC
150 3rd Avenue S., Suite 2800
Nashville, TN 37201
(615) 742-6200**

**Jonathan H. Talcott
Charles D. Vaughn
Nelson Mullins Riley & Scarborough LLP
101 Constitution Avenue, NW, Suite 900
Washington, DC 20001
(202) 689-2806**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="radio"/>
		Emerging growth company	<input checked="" type="radio"/>

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee
Class A common stock, par value \$0.0001 per share	\$85,800,000	\$10,683

(1) Includes the offering price of any additional shares of Class A common stock that the underwriters have the right to purchase to cover over-allotments.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.



Shares
Class A Common Stock

We are offering _____ shares of our Class A common stock. We currently estimate that the initial public offering price of our Class A common stock will be between \$ _____ and \$ _____ per share.

This is our initial public offering, and prior to this offering, there has been no public market for our Class A common stock. We have filed an application for our Class A common stock to be listed on the Nasdaq Global Select Market under the symbol "IIVV."

Following this offering, we will have two classes of authorized common stock: Class A common stock and Class B common stock. Each share of our Class A common stock and Class B common stock entitles its respective holder to one vote per share on all matters presented to our stockholders generally. All shares of our Class B common stock will be held by the Continuing Equity Owners (as defined below) and have no economic rights.

We will be a holding company, and upon consummation of this offering and the application of the proceeds, our principal asset will consist of the common units of i3 Verticals, LLC (a) that we purchase directly from i3 Verticals, LLC and certain of the Continuing Equity Owners with the proceeds from this offering and (b) that we acquire from the Former Equity Owners (as defined below) in connection with the consummation of the Reorganization Transactions (as defined below).

Immediately following this offering the investors in this offering will collectively own % of the economic interest in i3 Verticals, Inc. and approximately % of its voting power. i3 Verticals, Inc. will own approximately % of the economic interest in i3 Verticals, LLC and will be its sole managing member. We will operate and control all of the business and affairs of i3 Verticals, LLC and will conduct our business through i3 Verticals, LLC and its subsidiaries.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, and will be subject to reduced public reporting requirements. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company.

Investing in our Class A common stock involves risk. See "Risk Factors" beginning on page 19.

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions ⁽¹⁾	\$ _____	\$ _____
Proceeds, before expenses	\$ _____	\$ _____

(1) We refer you to the section titled "Underwriting" beginning on page 168 for additional information regarding underwriting compensation.

We have granted to the underwriters an option to purchase up to _____ additional shares of Class A common stock to cover overallotments, if any, exercisable at any time until 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class A common stock against payment on _____, 2018.

Cowen

Raymond James

KeyBanc Capital Markets

The date of this prospectus is _____, 2018

TABLE OF CONTENTS

PROSPECTUS SUMMARY	1
SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA	16
RISK FACTORS	19
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	45
OUR ORGANIZATIONAL STRUCTURE	47
USE OF PROCEEDS	51
DIVIDEND POLICY	53
CAPITALIZATION	54
DILUTION	56
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION	58
SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA	79
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	82
BUSINESS	108
MANAGEMENT	131
EXECUTIVE COMPENSATION	138
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	144
PRINCIPAL STOCKHOLDERS	154
DESCRIPTION OF CAPITAL STOCK	157
SHARES ELIGIBLE FOR FUTURE SALE	163
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS	165
UNDERWRITING	168
LEGAL MATTERS	174
EXPERTS	174
WHERE YOU CAN FIND MORE INFORMATION	174
INDEX TO FINANCIAL STATEMENTS	F-1

You should rely only on the information contained in this prospectus and in any free writing prospectus that we may provide to you in connection with this offering. Neither we nor any of the underwriters has authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus or any such free writing prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We can provide no assurance as to the reliability of any other information that others may give you. Neither we nor any of the underwriters is making an offer to sell or seeking offers to buy these securities in any jurisdiction where or to any person to whom the offer or sale is not permitted. The information in this prospectus is accurate only as of the date on the front cover of this prospectus, and the information in any free writing prospectus that we may provide you in connection with this offering is accurate only as of the date of such free writing prospectus. Our business, financial condition, results of operations and prospects may have changed since those dates.

PROSPECTUS SUMMARY

This summary highlights information contained in greater detail elsewhere in this prospectus and does not contain all of the information that you should consider before deciding to invest in our Class A common stock. You should read the entire prospectus carefully, including the "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Some of the statements in this prospectus constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements." Unless otherwise indicated in this prospectus, "i3 Verticals," "we," "us" and "our" refer (1) before the Reorganization Transactions, as described under "Our Organizational Structure," to i3 Verticals, LLC and, where appropriate, its subsidiaries, and (2) after the Reorganization Transactions to i3 Verticals, Inc. and, where appropriate, its subsidiaries.

Our Company

Recognizing the convergence of software and payments, i3 Verticals was founded in 2012 with the purpose of delivering seamless integrated payment and software solutions to small- and medium-sized businesses ("SMBs") and organizations in strategic vertical markets. Since commencing operations, we have built a broad suite of payment and software solutions that address the specific needs of SMBs and other organizations in our strategic vertical markets, and we believe our suite of solutions differentiates us from our competition. Our primary strategic vertical markets include education, non-profit, public sector, property management and healthcare. These vertical markets are large, growing and tend to have increasing levels of electronic payments adoption compared to other industries. In addition to our strategic vertical markets, we also have a growing presence in the business-to-business ("B2B") payments market. Our executive management team has a proven track record of successfully building publicly-traded payments companies, generating growth both organically and through acquisitions. We processed approximately \$10.3 billion in total payment volume in 2017, growing at a compound annual growth rate ("CAGR") of 67% since 2014.

We distribute our payment technology and proprietary software solutions to our clients through our direct sales force as well as through a growing network of distribution partners, including independent software vendors ("ISVs"), value-added resellers ("VARs"), independent sales organizations ("ISOs") and other referral partners, including financial institutions. Our ISV partners represent a significant distribution channel and enable us to accelerate our market penetration through a cost effective one-to-many distribution model that tends to result in high retention and faster growth. From September 30, 2016 to September 30, 2017, we increased our network of ISVs from 13 to 22, which produced an increase in average monthly payment volume of 155%.

Our integrated payment and software solutions feature embedded payment capabilities tailored to the specific needs of our clients in strategic vertical markets. Our configurable payment technology solutions integrate seamlessly into clients' third-party business management systems, provide security that complies with Payment Card Industry Data Security Standards ("PCI DSS") and include extensive reporting tools. In addition to integrations with third party software, we deliver our own proprietary software solutions that increase the productivity of our clients by streamlining their business processes, particularly in the education, property management and public sector markets. We believe our proprietary software further differentiates us from our competitors in these strategic verticals and enables us to maximize our payment-related revenue. Through our proprietary gateway, we offer our clients a single point of access for a broad suite of payment and software solutions, enabling omni-channel point of sale ("POS"), spanning brick and mortar and electronic and mobile commerce, including app-based payments.

We primarily focus on strategic vertical markets where we believe we can be a leader in vertically-focused, integrated payment and software solutions. Our strategic vertical markets include education, non-profit, public sector, property management and healthcare. We have a longer term goal of being a leader in six to ten strategic vertical markets. We target vertical markets where businesses and organizations tend to lack integrated payment functionality within their business management systems and where we face less competition for our solutions. In many cases, we deliver our proprietary software solutions to strategic vertical markets through the Payment Facilitator ("PayFac") model, where we maintain a master merchant account, enabling clients to accept electronic payments through a sub-merchant contract. As more ISVs seek to differentiate their offerings by seamlessly integrating payment functionality into their software solutions, the PayFac model has gained significant

momentum. Before PayFacs were an option, any business looking to accept credit cards was required to establish an individual merchant account, which is often costly and time-consuming for small merchants. Our PayFac solution streamlines and simplifies client onboarding, delivers ease of reporting and reconciliation and enables superior data management.

In addition to our vertical markets, we have a growing presence in the B2B payments sector, which is among the fastest-growing segments within payments. Compared with business-to-consumer payments where, according to The Nilson Report, approximately 75% of payment volume was processed through electronic methods in 2016, the B2B payments market is significantly less penetrated by electronic payments. According to PayStream Advisors' 2017 Electronic Payments Report, checks account for more than 45% of B2B payments, presenting an opportunity for further adoption of card-based and other electronic payments.

An important part of our long-term strategy is acquisition-driven growth. To date, we have completed nine "platform" acquisitions and twelve "tuck-in" acquisitions. Our platform acquisitions have opened new strategic vertical markets, broadened our technology and solutions suite and expanded our client base, while our tuck-in acquisitions have augmented our existing payment and software solutions and added clients. Our growth strategy is to continue to build our company through a disciplined combination of organic growth and growth through platform and tuck-in acquisitions. With more than 3,500 U.S. payments companies registered with Visa and over 10,000 ISVs doing business in the United States, we are confident that we will continue to be successful in finding acquisition targets to supplement our organic growth.

We have built a deep and experienced executive-level management team. Greg Daily, our Chairman and Chief Executive Officer, and Clay Whitson, our Chief Financial Officer, have each previously served in similar roles with PMT Services, Inc. and iPayment, Inc. Our President, Rick Stanford, who is responsible for mergers and acquisitions, has a 30-year professional relationship with Mr. Daily and Mr. Whitson, including working together at PMT Services, Inc. Rob Bertke, our Chief Technology Officer, has over 20 years of experience in the payment technology and B2B commerce industries. Importantly, many of our acquisitions have added managers with extensive knowledge of their vertical markets and deep client relationships.

We generate revenue primarily from payment processing services, which principally include but are not limited to volume-based fees, provided to clients throughout the United States. Our payment processing services enable clients to accept electronic payments, facilitating the exchange of funds and transaction data between clients, financial institutions and payment networks. Our payment processing services include merchant onboarding, risk and underwriting, authorization, settlement, chargeback processing and other merchant support. We also generate revenue from software licensing subscriptions, ongoing support, and other POS-related solutions that we provide to our clients directly and through our distribution partners.

For the six month period ended March 31, 2018, we generated \$154.9 million in revenue, \$(7.2) million of net loss and \$14.6 million of adjusted EBITDA, compared to \$124.5 million in revenue, \$(0.4) million of net loss and \$9.1 million of adjusted EBITDA for the comparable period in 2017, an increase of 24% and 60% for revenue and adjusted EBITDA, respectively. In fiscal year 2017, we generated \$262.6 million in revenue, \$0.9 million of net income and \$19.3 million of adjusted EBITDA, compared to \$199.6 million in revenue, \$(2.1) million of net loss and \$17.6 million of adjusted EBITDA in fiscal year 2016, an increase of 32% and 10% for revenue and adjusted EBITDA, respectively. See "Summary Historical and Pro Forma Consolidated Financial and Other Data" for a discussion of adjusted EBITDA and a reconciliation of adjusted EBITDA to net income (loss), the most directly comparable measure under accounting principles generally accepted in the United States of America ("GAAP").

Industry Background

Overview of the Electronic Payments Industry

The electronic payments industry is massive, with growth fueled by powerful long-term trends that continue to increase the acceptance and use of electronic-based payments compared to paper-based payments. The industry is serviced by a variety of providers, including issuers, payment networks and merchant acquirers. According to The Nilson Report, purchase volume on credit, debit and prepaid cards in the United States was approximately \$6.2 trillion in 2016 and is estimated to reach nearly \$8.5 trillion by 2021, a CAGR of 6.6%. Additionally, B2B payments represent a large, high growth opportunity, with card-based payments gaining momentum in a market

where checks still account for more than 45% of supplier-related payments according to PayStream Advisors' 2017 Electronic Payments Report.

Convergence of Payments, Software and Integrated Technology

The electronic payments industry is undergoing a transformation fueled by rapid advancements in technology over the past decade, including the proliferation of application programming interfaces ("APIs") that facilitate seamless integration between various software programs and payment technology. This transformation is empowering businesses and organizations to benefit from the increased utility associated with embedding payment solutions within software. Increasingly, payment solutions are embedded within the software that merchants use for other critical business functions, such as POS, accounting, inventory management, drawer reconciliation, customer relationship management ("CRM") and order entry.

SMBs and other organizations are increasingly demanding bundled payment and software solutions. To deliver more value to clients, ISVs and payment companies are partnering to meet this demand, often entering into revenue sharing arrangements related to payment processing revenue. More recently, some ISVs are bundling proprietary payment capabilities with software offerings to create a comprehensive, integrated solution for clients and to optimize the revenue opportunity associated with payments.

As more ISVs seek to differentiate their offerings by seamlessly integrating payment capabilities into their software solutions, the PayFac model has gained significant momentum. The PayFac model provides companies not traditionally in the business of delivering payment services (e.g., ISVs) with a master merchant account, enabling SMB clients to accept electronic payments through a sub-merchant contract. In addition to rapid, efficient onboarding, PayFacs offer various tools and services, including streamlined reporting and client support. PayFac transaction volume is projected to grow at a CAGR of 88% from 2016 to 2021, reaching \$513 billion in annual processing volume in 2021, according to a 2016 report from Double Diamond Payments Research titled "Why Software Vendors Should Be Payment Facilitators."

Overview of the Traditional Merchant Acquiring Industry

Historically, to facilitate the acceptance of card-based payments at the POS, banks began providing payment services to their local merchants. Providers of these services, both divisions of banks and independent companies, became known as merchant acquirers. The merchant acquiring industry has grown significantly as more and more merchants and organizations accept card-based payments in response to their growing adoption by consumers. More than 3,500 payments service providers are registered with Visa in the United States. These acquirers include non-bank merchant acquirers, banks, ISOs and other less established vendors seeking to offer new payment methods and devices.

Overview of the Merchant Client Base

Many traditional merchant acquirers sell their payment processing services to various sizes of merchants and organizations, from SMBs to large enterprises. As potential customers, we believe SMBs have many attractive characteristics. SMBs generally lack the resources of large enterprises to invest heavily in technology and therefore are more dependent on service providers, such as merchant acquirers, to handle critical functions, including payment acceptance and other support services. Technology needs for SMBs are increasingly complex. As electronic and mobile commerce continues to grow as a percentage of purchase volume, businesses and organizations require additional capabilities to serve their customers in an increasingly omni-channel world. In addition, SMBs are seeking software solutions for a variety of their business functions, including marketing, inventory management, invoicing and other industry-specific applications. Merchant acquirers can better serve SMBs by working with ISVs or offering proprietary software that helps meet the requirements of these businesses and organizations. A wide variety of merchants and organizations make up the SMB market segment. As a result, there is less risk of client concentration. While the size of the market opportunity is considerable, the needs of potential clients in different segments vary significantly, benefiting those providers that deliver integrated payment solutions tailored to their specific needs.

Our Competitive Strengths

We believe we have attributes that differentiate us from our competitors and provide us with significant competitive advantages. Our key competitive strengths include:

Innovative Payment and Software Solutions Tailored for Strategic Verticals

We believe our ability to deliver innovative payment and software solutions tailored to the specific needs of businesses and organizations in our strategic vertical markets differentiates us from our competitors. We focus on providing value-add, flexible, scalable and innovative electronic payment and software solutions to clients in attractive, high growth strategic vertical markets such as education, non-profit, public sector, property management and healthcare. We target vertical markets that are large and growing, where businesses and other organizations typically lack integrated payment functionality within their business management system, there is potential for significant market penetration of our solutions and competition for our solutions is fragmented. We have built, through strategic acquisitions and internal development, a specialized and tailored payment and software solutions business, powered by a broad network of distribution partners that allows us to integrate and cross-sell our solutions to businesses and organizations in these strategic vertical markets. We believe our deep domain knowledge in each of our strategic vertical markets provides us unique insight into our clients' needs, and enables us to deliver high-quality traditional and PayFac solutions with vertical-specific client support.

Additionally, we provide a comprehensive suite of horizontal solutions that complement our vertically focused solutions and enable us to further penetrate each vertical market. Our horizontal solutions include virtual terminals, POS technology, mobile solutions, countertop and wireless terminals, electronic invoice presentment and payment, event registration, online reporting, expedited funding, PCI validation, integrated forms and client analytics.

Expertise in ISV Distribution

We distribute our payment technology and proprietary software solutions to our clients through our direct sales force as well as through a growing network of distribution partners, including ISVs. We embed our payment technology into our proprietary vertical software solutions, or into solutions developed by ISVs, empowering our clients to benefit from the seamless integration of payments and software. We currently have approximately 25 ISV distribution partners. Our ISV partner strategy represents a significant distribution channel and enables us to accelerate our market penetration through a cost effective one-to-many distribution model that tends to result in high retention and faster growth.

Robust Gateway and Technology Platform Delivering Sophisticated Payment and Software Solutions

We have developed a suite of technology solutions that can be deployed on a variety of platforms. Our technology includes proprietary software that serves our verticals and offers a unified suite of APIs that provide streamlined payment integration. Our defined project development processes enable us to deploy initial downloads and upgrades in a quick and efficient manner via the cloud.

In addition, through our proprietary gateway, we provide our clients a single point of access for a broad suite of payment and software solutions, spanning POS, e-commerce and mobile devices. Leveraging our technology, we are able to provide our clients with solutions that are highly secure, scalable and available. In certain vertical markets such as education, property management and public sector, we offer proprietary software solutions that increase the productivity of our clients by streamlining their business processes. Our payment solutions, including PCI DSS-compliant security, integrate seamlessly into a client's business management system and can be tailored to the client's needs, with extensive reporting tools.

Attractive Operating Model

We have grown rapidly since our founding, with payment volume growth over the prior year of 26% in 2017, 138% in 2016 and 55% in 2015. We believe our deep domain knowledge within our strategic vertical markets, the embedded nature of our integrated payment and proprietary software solutions and our strong client relationships drive improved client retention and revenue growth. The relationships we have developed with a significant number of distribution partners, including ISVs and VARs, contribute to efficient client acquisition, high retention and lifetime value and, ultimately, strong revenue and earnings growth. Given that we predominantly generate transaction-based revenue, we can confidently predict at the beginning of each fiscal year our recurring revenue and cash flow, excluding the effects of acquisitions, for that fiscal year. Further, we have minimal client and vertical market concentration, which insulates us from fluctuations within any given vertical market.

Proven Acquisition and Integration Strategy

A core component of our growth strategy includes a disciplined approach to acquisitions of companies and technology, evidenced by nine platform acquisitions and twelve tuck-in acquisitions since our inception in 2012. Our acquisitions have opened new strategic vertical markets, increased the number of businesses and organizations to whom we provide solutions and augmented our existing payment and software solutions and capabilities. Our management team has significant experience acquiring and integrating providers of payment processing services and providers of vertical market software that complement our existing suite of products and solutions. Due to our management team's longstanding relationships and domain expertise, we have developed a strong pipeline of acquisition targets and are constantly evaluating businesses against our acquisition criteria.

Experienced Team with Strong Execution Track Record

We have built a deep and experienced executive-level management team. Greg Daily, our Chairman and Chief Executive Officer, and Clay Whitson, our Chief Financial Officer, have each previously served in similar roles with iPayment, Inc. and PMT Services, Inc. Our President, Rick Stanford, who is responsible for mergers and acquisitions, has a 30-year professional relationship with Mr. Daily and Mr. Whitson, including working together at PMT Services, Inc. Substantial value was created at both PMT Services, Inc. and iPayment, Inc. through organic and acquisition-based growth. From PMT Services' IPO on August 12, 1994 until its sale on September 24, 1998, PMT Services' cumulative stock return was 713%, compared to the 126% cumulative stock return of the S&P 500 during the same period, excluding dividends. From iPayment's IPO on May 12, 2003 until it was taken private on May 10, 2006, iPayment's cumulative stock return was 172%, compared to the 40% cumulative stock return of the S&P 500 during the same period, excluding dividends. There can be no assurance, however, that these executives will be able to create similar increases in the value of i3 Verticals, Inc. Rob Bertke, our Chief Technology Officer, has over 20 years of experience in the payment technology and B2B commerce industries.

Many of our acquisitions have added key members of management with extensive knowledge of their vertical markets and deep distribution partner and client relationships. We typically structure acquisitions with the goal of retaining and incentivizing key members of management, through equity incentives and earn-outs that align their interests with those of our shareholders.

Our Growth Strategy

Expand Our Network of Distribution Partners

We have experienced significant growth through our network of distribution partners, particularly within integrated channels. We have approximately 25 ISV distribution partners and intend to continue expanding our distribution network to reach new ISVs as well as other new partners within our strategic vertical markets. We believe that our differentiated payments platform, combined with our vertical expertise, will enable us to methodically engage new distribution partners.

Continue to Enhance Our Suite of Technology Solutions

We intend to strengthen our position in our various vertical markets through continuous product innovation and enhancement. We have a strong track record of introducing to our clients new products and solutions that increase convenience, enhance ease of use, improve integration with their other business management systems and offer greater functionality. In addition, we plan to take advantage of our proprietary, integrated gateway and service capabilities to provide PayFac services in our strategic vertical markets. Through continued product innovation and enhancement, we believe we can increase client retention and improve our ability to win new business.

Grow With Our Existing Distribution Partners and Clients

We focus on strategic vertical markets where there is a large addressable market, the client base is highly fragmented and penetration of electronic payments is below that of the overall economy. We intend to grow organically with our existing distribution partners by providing compelling integrated payment technology and proprietary software solutions to clients. We believe that by cross-selling new and value-added services and promoting our omni-channel capabilities to our existing clients, we will help our clients succeed and grow their payment volume.

Further Penetrate the Installed Merchant Base of Our Distribution Partners

We intend to continue to actively pursue the merchant base of our distribution partners. A significant number of businesses and other organizations within these channels are not currently using our solutions and have not yet been proactively approached. Many already have their electronic payments processed through another provider, while others are not yet accepting electronic payments. We intend to continue to capitalize on this significant opportunity by leveraging our relationships with our distribution partners, our extensive marketing capabilities, our vertically-focused sales force and our innovative payment technology.

Selectively Pursue Platform and Tuck-in Acquisitions

We intend to pursue platform acquisitions of vertically-focused integrated payment and software solution providers in new vertical markets. We also intend to continue to complement our organic expansion with accretive tuck-in acquisitions that enhance our market position within our existing strategic vertical markets. We expect that these acquisitions will expand our integrated platform, existing payment solutions and client reach. Since our formation in 2012, we have completed a total of nine platform and twelve tuck-in acquisitions that enabled us to enter new, or expand within existing, vertical markets. We have demonstrated the ability to execute and integrate acquisitions that augment our products and services and enhance the solution set we offer to our clients.

We intend to continue to funnel acquisition targets through our strong pipeline, while we also engage new candidates. We target companies that have a strong management team with significant expertise in a particular vertical market and that offer attractive growth potential. Once we have completed an acquisition, we monitor the acquired company's performance and seek to improve its operations. Our corporate structure enables us to provide financial and strategic support, including capital, recruitment, back-office and IT functions to the companies we acquire. This decentralized management structure allows us to create management teams positioned to maximize the growth potential in existing and new vertical markets.

Risk Factors

An investment in our Class A common stock involves a high degree of risk. You should carefully consider the risks summarized below. These risks are discussed more fully in the section titled "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

- our ability to generate revenues sufficient to maintain profitability and positive cash flow;
- competition in our industry and our ability to compete effectively;
- our dependence on non-exclusive distribution partners to market our products and services;
- our ability to keep pace with rapid developments and changes in our industry and provide new products and services;
- liability and reputation damage from unauthorized disclosure, destruction or modification of data or disruption of our services;
- technical, operational and regulatory risks related to our information technology systems and third-party providers' systems;
- reliance on third parties for significant services;
- exposure to economic conditions and political risks affecting consumer and commercial spending, including the use of credit cards;
- our ability to increase our existing vertical markets, expand into new vertical markets and execute our growth strategy;
- our ability to successfully complete acquisitions and effectively integrate those acquisitions into our services;
- degradation of the quality of our products, services and support;
- our ability to retain clients, many of which are SMBs, which can be difficult and costly to retain;
- our ability to successfully manage our intellectual property;
- our ability to attract, recruit, retain and develop key personnel and qualified employees;
- risks related to laws, regulations and industry standards;
- our indebtedness and potential increases in our indebtedness;

- operating and financial restrictions imposed by our Senior Secured Credit Facility (as defined below); and
- the other factors described in “Risk Factors.”

Reorganization Transactions

i3 Verticals, Inc., a Delaware corporation, was formed on January 17, 2018 to serve as the issuer of the Class A common stock offered by this prospectus. We conduct all of our business operations through i3 Verticals, LLC and its subsidiaries. We will consummate the following reorganizational transactions in connection with this offering. Certain defined terms are provided below. Some of the members of our management and members of our board of directors (the “Board of Directors”) will receive cash and shares of our Class B common stock in the transactions described below. See “Certain Relationships and Related Party Transactions—Purchase of Common Units from Members of Management and Directors” and “Principal Stockholders.” Unless otherwise indicated, this prospectus assumes the shares of Class A common stock are offered at \$ _____ per share (the midpoint of the price range listed on the cover page of this prospectus).

- We will amend and restate the existing limited liability company agreement of i3 Verticals, LLC to, among other things, (1) convert all existing Class A units, common units (including common units issued upon the exercise of existing warrants held by the existing Warrant Holders) and Class P units (“profits interests”) of ownership interest in i3 Verticals, LLC into either _____ Class A voting common units of i3 Verticals, LLC (such holders of Class A voting common units referred to herein as the “Continuing Equity Owners”) or _____ Class B non-voting common units of i3 Verticals, LLC (such holders of Class B non-voting common units referred to herein as the “Former Equity Owners”) (collectively, the “Initial Recapitalization”), and (2) appoint i3 Verticals, Inc. as the sole managing member of i3 Verticals, LLC upon its acquisition of common units in connection with this offering.
- We will amend and restate i3 Verticals, Inc.’s certificate of incorporation to provide for, among other things, Class A common stock and Class B common stock. Each share of Class A common stock and Class B common stock will entitle its holder to one vote on all matters to be voted on by stockholders. Shares of our Class B common stock, however, may be held only by the Continuing Equity Owners and their permitted transferees in proportion to the number of outstanding common units of i3 Verticals, LLC they hold as described in “Description of Capital Stock—Class B Common Stock.” Class B common stock has no economic rights.
- Immediately following the Initial Recapitalization, we will consummate a merger by and among i3 Verticals, LLC, i3 Verticals, Inc. and a to-be-formed wholly-owned subsidiary of i3 Verticals, Inc. (“MergerSub”) whereby: (1) MergerSub will merge with and into i3 Verticals, LLC, with i3 Verticals, LLC as the surviving entity; (2) Class A voting common units will be converted into newly issued common units in i3 Verticals, LLC together with an equal number of shares of Class B common stock of i3 Verticals, Inc., and (3) Class B common units will be converted into Class A common stock of i3 Verticals, Inc.
- We will issue _____ shares of our Class A common stock pursuant to a voluntary private conversion of certain subordinated notes (the “Junior Subordinated Notes”) by certain related and unrelated creditors of i3 Verticals, LLC. In this conversion, certain eligible holders of Junior Subordinated Notes have elected to convert approximately \$ _____ in aggregate indebtedness into Class A common stock.
- We will issue _____ shares of our Class A common stock to the purchasers in this offering (or _____ shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock, or the “overallotment option”) in exchange for net proceeds of approximately \$ _____ million (or approximately \$ _____ million if the underwriters exercise the overallotment option in full).
- We will use all of the net proceeds from this offering to purchase (1) _____ newly issued common units (or _____ common units if the underwriters exercise their overallotment option in full) directly from i3 Verticals, LLC at a price per unit equal to the initial public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions, and (2) _____ common units directly from certain of the Continuing Equity Owners at the initial public offering price of Class A common stock in this offering less underwriting discounts and commissions. We will own _____ % of i3 Verticals, LLC’s outstanding common units following this offering (or _____ % if the underwriters exercise their overallotment option in full).
- i3 Verticals, LLC intends to use the net proceeds from the sale of common units to i3 Verticals, Inc. to repay as described under “Use of Proceeds” a total of approximately \$ _____ in outstanding debt under (a) the Junior Subordinated Notes, (b) notes payable in the aggregate principal amount of \$10.5

million (the "Mezzanine Notes") to three related creditors and (c) the senior secured credit facility of i3 Verticals, LLC (the "Senior Secured Credit Facility"), which includes a term loan and a revolving loan facility. i3 Verticals, LLC intends to repay the Junior Subordinated Notes and the Mezzanine Notes in full.

- i3 Verticals, Inc. will enter into (1) a tax receivable agreement, which we refer to as the Tax Receivable Agreement, with i3 Verticals, LLC and each of the Continuing Equity Owners and (2) a registration rights agreement, which we refer to as the Registration Rights Agreement, with certain Continuing Equity Owners. For a description of the terms of the Tax Receivable Agreement and the Registration Rights Agreement, see "Certain Relationships and Related Party Transactions."

We collectively refer to the foregoing organizational transactions as the "Reorganization Transactions."

Immediately following the consummation of the Reorganization Transactions (including this offering):

- i3 Verticals, Inc. will be a holding company and its principal asset will consist of common units it purchased from i3 Verticals, LLC and certain of the Continuing Equity Owners and common units it acquired from the Former Equity Owners.
- i3 Verticals, Inc. will be the sole managing member of i3 Verticals, LLC and will control the business and affairs of i3 Verticals, LLC and its subsidiaries. We will have a board of directors and executive officers, but will have no employees. The functions of all of our employees are expected to reside at i3 Verticals, LLC or its subsidiaries.
- i3 Verticals, Inc. will own, directly or indirectly, common units of i3 Verticals, LLC, representing approximately % of the economic interest in i3 Verticals, LLC (or common units, representing approximately % of the economic interest in i3 Verticals, LLC, if the underwriters exercise their overallotment option in full).
- The purchasers in this offering (1) will own shares of Class A common stock of i3 Verticals, Inc. (or shares of Class A common stock of i3 Verticals, Inc. if the underwriters exercise their overallotment option in full), representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. and approximately % of the economic interest in i3 Verticals, Inc. (or approximately % of the combined voting power and approximately % of the economic interest if the underwriters exercise their overallotment option in full), and (2) through i3 Verticals, Inc.'s ownership of i3 Verticals, LLC's common units, indirectly will hold approximately % of the economic interest in i3 Verticals, LLC (or approximately % if the underwriters exercise their overallotment option in full).
- The Continuing Equity Owners (1) will own common units of i3 Verticals, LLC, representing approximately % of the economic interest in i3 Verticals, LLC (or approximately % of the economic interest in i3 Verticals, LLC if the underwriters exercise their overallotment option in full), and (2) will own shares of Class B common stock of i3 Verticals, Inc., representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. (or approximately % if the underwriters exercise their overallotment option in full).
- The Former Equity Owners (1) will own shares of Class A common stock of i3 Verticals, Inc., representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. and approximately % of the economic interest in i3 Verticals, Inc. (or approximately % of the combined voting power and approximately % of the economic interest if the underwriters exercise their overallotment option in full), and (2) through i3 Verticals, Inc.'s ownership of i3 Verticals, LLC's common units, indirectly will hold approximately % of the economic interest in i3 Verticals, LLC.

As the sole managing member of i3 Verticals, LLC, we will operate and control all of the business and affairs of i3 Verticals, LLC and, through i3 Verticals, LLC and its subsidiaries, conduct the business.

As used in this prospectus, unless the context otherwise requires, references to:

- "Continuing Equity Owners" refers collectively to the Class A unit, common unit and Class P unit holders prior to the Reorganization Transactions, and each of their permitted transferees that will own common units in i3 Verticals, LLC after the Reorganization Transactions and who may, following the consummation of this offering, redeem at each of their options their common units for, at our election (determined solely by our independent directors (within the meaning of the rules of the Nasdaq) who are disinterested), cash or newly-issued shares of our Class A common stock as described in "Certain Relationships and Related

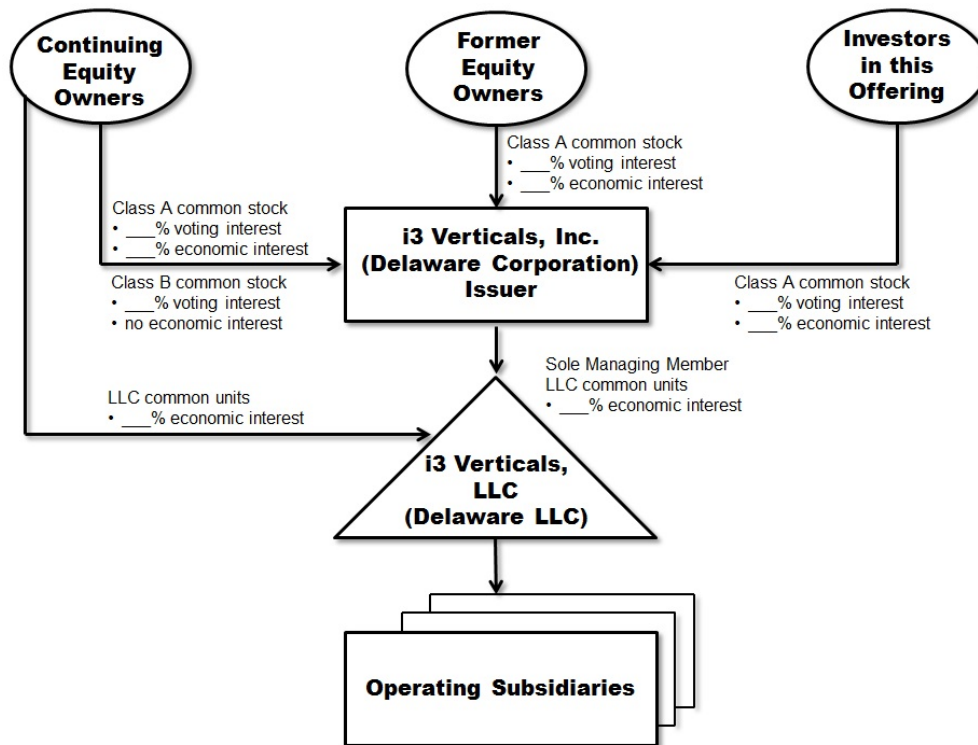
Party Transactions—i3 Verticals LLC Agreement—Agreement in Effect Upon Consummation of this Offering.”

- “i3 Verticals LLC Agreement” refers to i3 Verticals, LLC’s Limited Liability Company Agreement, which will become effective on or before the consummation of this offering.
- “Former Equity Owners” refers to the Original Equity Owners that are not Continuing Equity Owners and whose ownership interest will be converted into shares of our Class A common stock in connection with the consummation of the Reorganization Transactions.
- “Original Equity Owners” refers to the owners of ownership interests in i3 Verticals, LLC, collectively, before the Reorganization Transactions, which include the holders of Class A units, common units, Class P units (vested and unvested) and Warrant Holders.
- “Warrant Holders” refers to lenders under our Junior Subordinated Notes and Mezzanine Notes that currently hold warrants to purchase common units in i3 Verticals, LLC that, if not exercised before this offering is consummated, will be converted into warrants to purchase shares of our Class A common stock.

For more information regarding our structure, see “Our Organizational Structure.”

Ownership Structure

The diagram below depicts our organizational structure after giving effect to the Reorganization Transactions, including this offering, assuming no exercise by the underwriters of their overallotment option.



Certain Interests of Management, Directors and Continuing Equity Owners

Some of the members of our management and of our Board of Directors will receive certain payments and shares of our Class B common stock in connection with the Reorganization Transactions. See “Certain

Relationships and Related Party Transactions—Certain Interests of Management and Directors in the Reorganization Transactions.” We intend to purchase common units (or common units if the underwriters exercise their overallotment option in full) from certain of our Continuing Equity Owners at a price per common unit equal to the price paid by the underwriters for shares of our Class A common stock in this offering. See “Use of Proceeds” and “Principal Stockholders.”

Our Corporate Information

i3 Verticals, Inc., the issuer of the Class A common stock in this offering, was incorporated as a Delaware corporation on January 17, 2018. i3 Verticals, LLC (formerly known as Charge Payment, LLC) was organized as a Delaware limited liability company on September 7, 2012. Our corporate headquarters are located at 40 Burton Hills Blvd., Suite 415, Nashville, TN 37215. Our telephone number is (615) 465-4487, and our principal website address is www.i3verticals.com. The information on any of our websites is deemed not to be incorporated in this prospectus or to be part of this prospectus.

After giving effect to the Reorganization Transactions, including this offering, i3 Verticals, Inc. will be a holding company whose principal asset will consist of % of the outstanding common units of i3 Verticals, LLC (or % if the underwriters exercise their overallotment option in full).

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the “JOBS Act.” An emerging growth company may take advantage of certain reduced reporting and other requirements that are otherwise generally applicable to public companies. As a result:

- we are required to have only two years of audited financial statements and only two years of related selected financial data and related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- we are not required to engage an auditor to report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- we are not required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board, or the PCAOB, regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- we are not required to submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay,” “say-on-frequency” and “say-on-golden parachutes”; and
- we are not required to comply with certain disclosure requirements related to executive compensation, such as the requirement to disclose the correlation between executive compensation and performance and the requirement to present a comparison of our Chief Executive Officer's compensation to our median employee compensation.

We may take advantage of these reduced reporting and other requirements until the last day of our fiscal year following the fifth anniversary of the completion of this offering, or such earlier time that we are no longer an emerging growth company. However, if certain events occur before the end of such five-year period, including if we have more than \$1.07 billion in annual revenue, have more than \$700 million in market value of our common stock held by non-affiliates, or issue more than \$1.0 billion of non-convertible debt over a three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. We may choose to take advantage of some but not all of these reduced burdens. We have elected to adopt the reduced requirements with respect to our financial statements and the related selected financial data and Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure. As a result, the information that we provide to stockholders may be different than the information you may receive from other public companies in which you hold equity.

As mentioned above, the JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected not to opt out of the extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth

company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make a comparison of our financial statements with the financial statements of a public company that is not an emerging growth company, or the financial statements of an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

The Offering

Class A common stock offered	shares
Overallotment option	shares
Class A common stock to be outstanding after this offering	shares, representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. (or shares, representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. if the underwriters exercise their overallotment option in full) and 100% of the economic interest in i3 Verticals, Inc.
Class B common stock to be outstanding after this offering	shares, representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. (or shares, representing approximately % of the combined voting power of all of the common stock of i3 Verticals, Inc. if the underwriters exercise their overallotment option in full) and no economic interest in i3 Verticals, Inc.
Use of proceeds	<p>We estimate that the net proceeds to us from this offering will be approximately \$, or approximately \$ if the underwriters exercise their overallotment option in full, assuming an initial public offering price of \$ per share (which is the midpoint of the range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses. Each \$1 increase (decrease) in the public offering price per share would increase (decrease) our net proceeds, after deducting estimated underwriting discounts and commissions, by \$ (assuming no exercise of the underwriters' overallotment option).</p> <p>We intend to use the net proceeds of this offering to purchase (1) common units (or common units if the underwriters exercise their overallotment option in full) directly from i3 Verticals, LLC at a price per common unit equal to the price paid by the underwriters for shares of our Class A common stock in this offering, and (2) common units (or common units if the underwriters exercise their overallotment option in full) from certain of our Continuing Equity Owners at a price per common unit equal to the price paid by the underwriters for shares of our Class A common stock in this offering. i3 Verticals, LLC intends to use the proceeds to repay approximately \$ of the indebtedness outstanding under the Junior Subordinated Notes, the Mezzanine Notes and the Senior Secured Credit Facility. See "Use of Proceeds" and "Certain Relationships and Related Party Transactions."</p>
Voting rights	Each share of our Class A common stock and Class B common stock will entitle its holder to one vote on all matters to be voted on by stockholders. Holders of Class A common stock and holders of Class B common stock will vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by law or our amended and restated certificate of incorporation. Class B common stock has no economic rights. See "Description of Capital Stock."

Ratio of shares of Class A common stock to common units

The i3 Verticals LLC Agreement will require that we at all times maintain (x) a one-to-one ratio between the number of shares of Class A common stock issued by us and the number of common units of i3 Verticals, LLC owned by us and (y) a one-to-one ratio between the number of shares of Class B common stock owned by the Continuing Equity Owners and the number of common units of i3 Verticals, LLC owned by the Continuing Equity Owners. This construct is intended to result in the Continuing Equity Owners having a voting interest in us that is identical to the Continuing Equity Owners' percentage economic interest in i3 Verticals, LLC. The Continuing Equity Owners will own all of our outstanding Class B common stock.

Exchange and redemption rights of holders of common units

Pursuant to the i3 Verticals LLC Agreement, the Continuing Equity Owners, from time to time following the offering, may require us to exchange or redeem all or a portion of their common units of i3 Verticals, LLC for newly issued shares of our Class A common stock on a one-for-one basis, or, at our discretion, cash. Shares of our Class B common stock will be canceled on a one-for-one basis if we, at the election of a Continuing Equity Owner, exchange or redeem common units of such Continuing Equity Owner pursuant to the terms of the i3 Verticals LLC Agreement. The decision whether to tender common units of i3 Verticals, LLC to us will be made solely at the discretion of the Continuing Equity Owners. We will exercise discretion regarding the form of consideration in an exchange or redemption.

Tax Receivable Agreement

Our acquisition of common units of i3 Verticals, LLC in connection with this offering and future and certain past redemptions and exchanges of common units for shares of our Class A common stock (or cash) are expected to produce favorable tax attributes for us. Upon the completion of this offering, we will be a party to the Tax Receivable Agreement. Under this agreement, we generally will be required to pay to our Continuing Equity Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their common units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the redemption or exchange of their common units for shares of Class A common stock and (ii) tax benefits attributable to payments made under the Tax Receivable Agreement (including imputed interest).

Dividend policy

We do not expect to pay any dividends on our common stock in the foreseeable future. See "Dividend Policy."

Directed share program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the Class A common stock offered by this prospectus for sale to certain business and other associates of ours. Any of these directed shares purchased by our executive officers, directors and certain of our other stockholders will be subject to a 180-day lock-up restriction. We will offer these shares to the extent permitted under applicable regulations in the United States through a directed share program. The number of shares of our Class A common stock available for sale to the general public will be reduced by the number of directed shares purchased by participants in the program. Any directed shares not purchased will be offered by the underwriters to the general public on the same terms as the other shares of our Class A common stock offered by this prospectus. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act of 1933, as amended, in connection with the sale of shares through the directed share program. See "Underwriting."

Risk factors

You should read the "Risk Factors" section of this prospectus beginning on page 19 for a discussion of factors to consider carefully before deciding to invest in shares of our Class A common stock.

Proposed Nasdaq Global Select Market symbol

IIIV.

Unless we indicate otherwise or the context otherwise requires, all information in this prospectus:

- gives effect to the amendment and restatement of i3 Verticals, LLC's existing limited liability company agreement that results in a conversion of all existing unit ownership interests in i3 Verticals, LLC into common units, as well as the filing of our amended and restated certificate of incorporation;
- gives effect to the other Reorganization Transactions, including the consummation of this offering and the amendment and restatement of our certificate of incorporation and bylaws;
- excludes shares of Class A common stock reserved for issuance under our 2018 Equity Incentive Plan, or "2018 Plan";
- excludes shares of Class A common stock that may be issuable upon exercise, redemption or exchange by the Continuing Equity Owners (or at our election, a direct exchange); and
- assumes no exercise by the underwriters of their overallotment option.

Trademarks

This prospectus includes our service marks and trade names, including i3 Verticals®, PaySchools® and Axia®, which are protected under applicable intellectual property laws and are our property. This prospectus also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the ®, ™ or SM symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted under applicable law, our rights or the right of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

Market and Industry Data

Unless otherwise indicated, information contained in this prospectus concerning our industry, competitive position and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from

publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions we made upon reviewing such data, and our experience in, and knowledge of, such industry and markets, which we believe to be reasonable. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present the summary historical consolidated financial and other data for i3 Verticals, LLC and its subsidiaries and the summary pro forma consolidated financial and other data for i3 Verticals, Inc. i3 Verticals, LLC is the predecessor of the issuer, i3 Verticals, Inc., for financial reporting purposes. The summary consolidated statement of operations data for the fiscal years ended September 30, 2017 and 2016, and the summary consolidated balance sheet data as of September 30, 2017 are derived from the audited consolidated financial statements of i3 Verticals, LLC included elsewhere in this prospectus. The summary unaudited condensed consolidated statements of operations data for the six months ended March 31, 2018 and 2017 and the unaudited condensed consolidated balance sheet data as of March 31, 2018 are derived from unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. The summary unaudited condensed consolidated statements of operations data for the twelve months ended March 31, 2018 and 2017 are derived from management's records. The unaudited interim condensed consolidated financial statements, and the condensed consolidated statements of operations data for the twelve months ended March 31, 2018 and 2017, have been prepared on the same basis as the audited consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair presentation of the unaudited interim condensed consolidated financial statements and the condensed consolidated statements of operations data for the twelve months ended March 31, 2018 and 2017.

The results of operations for the periods presented below are not necessarily indicative of the results to be expected for any future period. The information set forth below should be read together with the "Selected Historical Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

The summary unaudited pro forma condensed consolidated financial data of i3 Verticals, Inc. presented below have been derived from our unaudited condensed pro forma consolidated financial statements included elsewhere in this prospectus. The summary condensed unaudited pro forma consolidated financial data as of and for the fiscal year ended September 30, 2017 give effect to the Reorganization Transactions, including the consummation of this offering and the use of proceeds described in "Our Organizational Structure" and "Use of Proceeds," as if all such transactions had occurred on October 1, 2016, with respect to the summary unaudited pro forma condensed consolidated statement of operations, and as of March 31, 2018, with respect to the summary unaudited pro forma consolidated balance sheet. The unaudited pro forma condensed consolidated financial information includes various estimates which are subject to material change and may not be indicative of what our operations or financial position would have been had this offering and related transactions taken place on the dates indicated, or that may be expected to occur in the future. See "Unaudited Pro Forma Consolidated Financial Information" for a complete description of the adjustments and assumptions underlying the summary unaudited pro forma consolidated financial data.

The summary historical consolidated financial and other data of i3 Verticals, Inc. has not been presented because i3 Verticals, Inc. is a newly incorporated entity, has had no business transactions or activities to date and had no assets or liabilities during the periods presented in this section.

		Pro Forma i3 Verticals, Inc.		Six months ended March 31,		Year ended September 30,		Twelve months ended March 31,	
<i>(in thousands except for payment volume which is in millions)</i>		Six months ended March 31, 2018	Year ended September 30, 2017	2018	2017	2017	2016	2018	2017
Statement of Operations Data		<i>(unaudited)</i>		<i>(unaudited)</i>				<i>(unaudited)</i>	
Revenue		\$ 154,920	\$ 124,466	\$ 262,571	\$ 199,644	\$ 293,025	\$ 248,120		
Interchange and network fees		102,872	89,116	189,112	140,998	202,868	179,107		
Other costs of services		19,058	13,615	28,798	21,934	34,241	26,806		
Selling general and administrative		19,041	12,936	27,194	20,393	33,299	24,370		
Depreciation and amortization		5,876	5,071	10,085	9,898	10,890	10,419		
Change in fair value of contingent consideration		2,129	923	(218)	2,458	988	1,709		
Total other expenses		13,251	3,243	6,521	5,813	16,529	6,429		
Provision (benefit) for income taxes			(139)	(70)	177	243	(131)		
Net income (loss)		\$ —	\$ —	\$ (7,168)	\$ (368)	\$ 902	\$ (2,093)	\$ (5,898)	\$ (589)
Other Financial Data (unaudited)									
Payment volume ⁽¹⁾		\$ 5,585	\$ 4,870	\$ 10,269	\$ 8,143	\$ 10,984	\$ 9,908		
Number of clients ⁽²⁾		24	22	24	22	24	22		
Net revenue ⁽³⁾		\$ 52,048	\$ 35,350	\$ 73,459	\$ 58,646	\$ 90,157	\$ 69,013		
Adjusted net income ⁽³⁾		\$ 3,818	\$ 833	\$ 2,066	\$ 1,565	\$ 5,051	\$ 2,355		
Adjusted EBITDA ⁽³⁾		\$ 14,561	\$ 9,077	\$ 19,264	\$ 17,606	\$ 24,748	\$ 19,099		

		Pro Forma i3 Verticals Inc.			
<i>(in thousands)</i>		March 31,	March 31,	September 30,	September 30,
Balance Sheet Data (at end of period):		2018	2018	2017	2016
		<i>(unaudited)</i>	<i>(unaudited)</i>		
Cash and cash equivalents			\$ 755	\$ 955	\$ 3,776
Total assets			169,970	139,991	100,282
Long-term debt, including current portion			132,786	110,836	83,537
Total liabilities			166,164	129,122	102,770
Total members' equity (deficit)			(4,295)	3,146	(9,510)

(1) Payment volume is the net dollar value of both 1) Visa, Mastercard and other payment network transactions processed by our clients and settled to clients by us and 2) Automated Clearing House ("ACH") transactions processed by our clients and settled to clients by us.

(2) Number of clients represents an approximate number of our clients who are actively processing payment volume as of the end of the period.

(3) Net revenue is calculated as revenue less certain network fees and other costs described below. Adjusted net income is calculated as net income before certain non-cash changes in the fair value of contingent consideration, non-cash changes in the fair value of warrant liabilities, other non-core cash items and the other items described below. Adjusted EBITDA is equal to adjusted net income before interest, income taxes, depreciation and amortization. Net revenue, adjusted net income and adjusted EBITDA eliminate the effects of items that we do not consider indicative of our core operating performance. As a result, we consider net revenue, adjusted net income and adjusted EBITDA to be important indicators of our operational strength and the performance of our business. Management believes the use of net revenue, adjusted net income and adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future. By providing these non-GAAP financial measures, together with a reconciliation to GAAP results, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our business strategies. We believe investors use net revenue, adjusted net income and adjusted EBITDA as supplemental measures to evaluate the overall operating performance of companies in our industry. The way we present net revenue, adjusted net income and adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Net revenue, adjusted net income and adjusted EBITDA are not intended as alternatives to revenue or net income (loss), as applicable, as indicators of our operating performance, or as alternatives to any other measure of performance in conformity with GAAP. You should therefore not place undue reliance on net revenue, adjusted net income and adjusted EBITDA or ratios calculated using those measures. Our GAAP-based measures can be found in our consolidated financial statements and related notes included elsewhere in this prospectus. In particular, adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, it does not include interest expense, which has been a necessary element of our costs. In addition, the exclusion of amortization expense associated with our intangible assets further limits the usefulness of this measure. Because adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. Accordingly, management does not view adjusted EBITDA in isolation and also uses other measures, such as cost of services and goods and net income (loss) to measure operating performance.

The reconciliation of our revenues to net revenue is as follows:

(in thousands)	Pro Forma i3 Verticals, Inc.		Six months ended March 31,		Year ended September 30,		Twelve months ended March 31,	
	Six months ended March 31, 2018	Year ended September 30, 2017	2018	2017	2017	2016	2018	2017
	Revenue			\$ 154,920	\$ 124,466	\$ 262,571	\$ 199,644	\$ 293,025
Interchange and network fees			102,872	89,116	189,112	140,998	202,868	179,107
Net Revenue	\$ —	\$ —	\$ 52,048	\$ 35,350	\$ 73,459	\$ 58,646	\$ 90,157	\$ 69,013

The reconciliation of our net income (loss) to adjusted net income and adjusted EBITDA is as follows:

(in thousands)	Pro Forma i3 Verticals, Inc.		Six months ended March 31,		Year ended September 30,		Twelve months ended March 31,	
	Six months ended March 31, 2018	Year ended September 30, 2017	2018	2017	2017	2016	2018	2017
	Net income (loss)	\$ —	\$ —	\$ (7,168)	\$ (368)	\$ 902	\$ (2,093)	\$ (5,898)
Plus:								
Offering-related expenses ^(a)			124	—	—	—	124	—
Non-cash change in fair value of contingent consideration ^(b)			2,129	923	(218)	2,458	988	1,709
Non-cash change in fair value of warrant liability ^(c)			8,245	—	(415)	(28)	7,830	(28)
Share-based compensation ^(d)			—	—	—	—	—	—
Acquisition-related expenses ^(e)			447	276	766	1,217	937	1,251
Other taxes ^(f)			41	2	36	11	75	12
Legal settlement ^(g)			—	—	995	—	995	—
Adjusted net income	\$ —	\$ —	\$ 3,818	\$ 833	\$ 2,066	\$ 1,565	\$ 5,051	\$ 2,355
Plus:								
Interest expense, net			5,006	3,243	6,936	5,900	8,699	6,456
Provision (benefit) for income taxes			(139)	(70)	177	243	108	(131)
Depreciation and amortization			5,876	5,071	10,085	9,898	10,890	10,419
Adjusted EBITDA	\$ —	\$ —	\$ 14,561	\$ 9,077	\$ 19,264	\$ 17,606	\$ 24,748	\$ 19,099

(a) Includes costs associated with forming i3 Verticals, Inc. and other expenses directly related to the Reorganization Transactions.

(b) Non-cash change in fair value of contingent consideration reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the later of the most recent balance sheet date forming the beginning of the income statement period or the original estimates made at the closing of the applicable acquisition.

(c) Non-cash change in warrant liability reflects the fair value change in certain warrants for our common units associated with our Mezzanine Notes. These warrants are accounted for as liabilities on our Consolidated Balance Sheets.

(d) We did not expense any share-based compensation for the periods presented, but we currently anticipate share-based compensation in the periods following this offering.

(e) Acquisition-related expenses are the professional service and related costs directly related to our acquisitions and are not part of our core performance.

(f) Other taxes consist of franchise taxes, commercial activity taxes and other non-income based taxes. Taxes related to salaries or employment are not included.

(g) Legal settlement is a charge from certain legal proceedings and is further discussed in "Business—Legal Proceedings."

RISK FACTORS

An investment in our Class A common stock involves a high degree of risk. You should carefully consider the following risks and all of the other information contained in this prospectus before deciding whether to invest in our Class A common stock. If any of the following risks are realized, our business, financial condition and results of operations could be materially and adversely affected. In that event, the trading price of our Class A common stock could decline and you could lose all or part of your investment in our Class A common stock. Some statements in this prospectus, including such statements in the following risk factors, constitute forward-looking statements. See the section entitled "Cautionary Note Regarding Forward-Looking Statements."

Risks Related to Our Business and Industry

We have a history of operating losses and will need to generate significant revenues to maintain profitability and positive cash flow.

Since inception in 2012, we have been engaged in growth activities and have made a significant number of acquisitions in an effort to grow our business. This acquisition activity requires substantial capital and other expenditures. As a result, 2017 was the first fiscal year for which we attained profitability, and we may incur losses again in the future. Although we had net income of \$0.9 million for the year ended September 30, 2017, we had a net loss of \$2.1 million for the year ended September 30, 2016. Further, for the six month period ended March 31, 2018, we had a net loss of \$7.2 million and a net loss of \$0.4 million for the comparable six month period ended March 31, 2017. A substantial portion of our historical revenue growth has resulted from acquisitions. For the year ended September 30, 2017, revenues attributable to the acquisitions we completed in 2016 and 2017 were \$91.2 million, or 34.7% of our total revenues. We expect our cash needs to increase significantly for the next several years as we:

- make additional acquisitions;
- market our products and services;
- expand our client support and service operations;
- hire additional marketing, client support and administrative personnel; and
- implement new and upgraded operational and financial systems, procedures and controls.

As a result of these continuing expenses, we need to generate significant revenues to maintain profitability and positive cash flow. To date, our operations have been supported by equity and debt financings. We currently intend to use \$ million of the estimated net proceeds from this offering to repay a portion of our outstanding debt. If we do not continue to increase our revenues, our business, results of operations and financial condition could be materially and adversely affected.

The payment processing industry is highly competitive. Such competition could adversely affect the fees we receive, and as a result, our margins, business, financial condition and results of operations.

The market for payment processing services is highly competitive and has relatively low barriers to entry. Other providers of payment processing services have established a sizable market share in the merchant acquiring sector and service more clients than we do. Our growth will depend, in part, on a combination of the continued growth of the electronic payment market and our ability to increase our market share.

Our payment and software solutions compete against many forms of financial services and payment systems, including electronic, mobile and integrated payment platforms as well as cash and checks. Our competitors include traditional merchant acquirers such as financial institutions, affiliates of financial institutions and well-established payment processing companies that target our existing clients and potential clients directly, including Bank of America Merchant Services, Chase Paymentech, Elavon, Inc. (a subsidiary of U.S. Bancorp), First Data Corporation, Global Payments, Inc., WorldPay, Inc. and Total Systems Services, Inc. In addition, we compete with vendors that are specifically targeting ISVs and VARs as distribution partners for their merchant acquiring services, such as Stripe, Inc., Square, Inc., PayPal Holdings, Inc., Braintree (owned by PayPal), Adyen, Ltd., and OpenEdge (a division of Global Payments).

Many of our competitors have substantially greater financial, technological, management and marketing resources than we have. Accordingly, if these competitors specifically target our business model, they may be able to offer more attractive fees or payment terms and advances to our clients and more attractive compensation to our distribution partners. They also may be able to offer and provide products and services that we do not offer. There are also a large number of small providers of processing services that provide various ranges of services to our clients and our potential clients. This competition may effectively limit the prices we can charge and requires us to control costs aggressively in order to maintain acceptable profit margins. Further, if the use of payment cards other than Visa or Mastercard grows, or if there is increased use of certain debit cards, our average profit per transaction could be reduced. Competition could also result in a loss of existing distribution partners and clients and greater difficulty attracting new distribution partners and clients. One or more of these factors could have a material adverse effect on our business, financial condition and results of operations.

To acquire and retain clients, we depend in part on distribution partners that generally do not serve us exclusively, may not aggressively market our products and services, are subject to attrition and are not under our control.

We rely heavily on the efforts of our distribution partners to market our products and services to existing clients and potential clients. Generally, our agreements with distribution partners are not exclusive and these partners retain the right to refer potential clients to other merchant acquirers. Gaining and maintaining loyalty or exclusivity may require financial concessions to maintain current distribution partners or to lure potential distribution partners from our competitors who may be offering significantly more attractive pricing terms, such as increased signing bonuses or residuals payable to our referral partners, which could have a negative impact on our results of operations. If these distribution partners switch to another merchant acquirer, focus more heavily on promoting the products and services of one or more other merchant acquirers, cease operations or become insolvent, we may no longer receive new referrals from them or receive fewer new referrals from them, and we also risk losing existing clients with whom the distribution partner has a relationship. Additionally, some of our distribution partners are subject to the requirements imposed by our bank sponsors, which may result in fines to them for non-compliance and may, in some cases, result in these entities ceasing to market our products and services. If we are unable to maintain our existing base of distribution partners or develop relationships with new distribution partners, our business, financial condition and results of operations would be materially adversely affected. Further, we may be named in legal proceedings in connection with the actions of our distribution partners where it is alleged that our distribution partners have intentionally or negligently misrepresented pricing or other contractual terms to clients or potential clients related to our processing solutions or related products. Our distribution partners are independent businesses and we have no control over their day-to-day business activities, including their client marketing and solicitation practices. While in some cases we may have indemnification rights against our distribution partners for these activities, there is no guarantee that we will be able to successfully enforce those indemnification rights or that our distribution partners are adequately capitalized in a manner necessary to satisfy their indemnification obligations to us. If one or more judgments or settlements in any litigation or other investigation, plus related defense and investigation costs, significantly exceed our insurance coverage and we are unable to enforce our indemnification rights against a distribution partner or partners, our business, financial condition and results of operations could materially suffer.

If we cannot keep pace with rapid developments and changes in our industry, the use of our products and services could decline, causing a reduction in our revenues.

The electronic payments market is subject to constant and significant changes. This market is characterized by rapid technological evolution, new product and service introductions, evolving industry standards, changing client needs and the entrance of non-traditional competitors, including products and services that enable card networks and banks to transact with consumers directly. To remain competitive, we continually pursue initiatives to develop new products and services to compete with these new market entrants. These projects carry risks, such as cost overruns, delays in delivery, performance problems and lack of client acceptance. In addition, new products and offerings may not perform as intended or generate the business or revenue growth expected. Additionally, we look for acquisition opportunities, investments and alliance relationships with other businesses that will increase our market penetration and enhance our technological capabilities, product offerings and distribution capabilities. Any delay in the delivery of new products and services or the failure to differentiate our products and services or to accurately predict and address market demand could render our products and services less desirable, or even obsolete, to our clients and to our distribution partners. Furthermore, even though

the market for integrated payment processing products and services is evolving, it may develop too rapidly or not rapidly enough for us to recover the costs we have incurred in developing new products and services targeted at this market. Any of the foregoing could have a material and adverse effect on our operating results and financial condition.

The continued growth and development of our payment processing activities will depend on our ability to anticipate and adapt to changes in consumer behavior. For example, consumer behavior may change regarding the use of payment card transactions, including the relative increased use of cash, crypto-currencies, other emerging or alternative payment methods and payment card systems that we or our processing partners do not adequately support or that do not provide adequate commissions to parties like us. Any failure to timely integrate emerging payment methods into our software, to anticipate consumer behavior changes or to contract with processing partners that support such emerging payment technologies could cause us to lose traction among our customers or referral sources, resulting in a corresponding loss of revenue, if those methods become popular among end-users of their services.

The products and services we deliver are designed to process complex transactions and provide reports and other information on those transactions, all at very high volumes and processing speeds. Our technology offerings must also integrate with a variety of network, hardware, mobile and software platforms and technologies, and we need to continuously modify and enhance our products and services to adapt to changes and innovation in these technologies. Any failure to deliver an effective, reliable and secure service or any performance issue that arises with a new product or service could result in significant processing or reporting errors or other losses. If we do not deliver a promised new product or service to our clients or distribution partners in a timely manner or the product or service does not perform as anticipated, our development efforts could result in increased costs and a loss in business that could reduce our earnings and cause a loss of revenue. We also rely in part on third parties, including some of our competitors and potential competitors, for the development of and access to new technologies, including software and hardware. Our future success will depend in part on our ability to develop or adapt to technological changes and evolving industry standards. If we are unable to develop, adapt to or access technological changes or evolving industry standards on a timely and cost-effective basis, our business, financial condition and results of operations would be materially adversely affected.

Unauthorized disclosure, destruction or modification of data or disruption of our services could expose us to liability, protracted and costly litigation and damage our reputation.

We are responsible both for our own business and to a significant degree for certain of our distribution partners and third-party vendors under the rules and regulations established by the payment networks, such as Visa and Mastercard, Discover and American Express, and the debit networks. We and other third parties collect, process, store and transmit sensitive data, such as names, addresses, social security numbers, credit or debit card numbers and expiration dates, drivers' license numbers and bank account numbers, and we have ultimate liability to the payment networks and member financial institutions that register us with the payment networks for our failure, or the failure of certain distribution partners and third parties with whom we contract, to protect this data in accordance with payment network requirements. The loss, destruction or unauthorized modification of client or cardholder data could result in significant fines, sanctions and proceedings or actions against us by the payment networks, governmental bodies, consumers or others, which could have a material adverse effect on our business, financial condition and results of operations. Any such proceeding or action could damage our reputation, force us to incur significant expenses in defense of these proceedings, distract our management, increase our costs of doing business and may result in the imposition of monetary liability.

We could be subject to breaches of security by hackers. Although we proactively employ multiple measures to defend our systems against intrusions and attacks and to protect the data we collect, our measures may not prevent unauthorized access or use of sensitive data. A breach of our system or a third-party system upon which we rely may subject us to material losses or liability, including payment network fines, assessments and claims for unauthorized purchases with misappropriated credit, debit or card information, impersonation or other similar fraud claims. A misuse of such data or a cybersecurity breach could harm our reputation and deter our clients and potential clients from using electronic payments generally and our products and services specifically, thus reducing our revenue. In addition, any such misuse or breach could cause us to incur costs to correct the breaches or failures, expose us to uninsured liability, increase our risk of regulatory scrutiny, subject us to lawsuits and result in the imposition of material penalties and fines under state and federal laws or by the payment

networks. While we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses. A significant cybersecurity breach could also result in payment networks prohibiting us from processing transactions on their networks or the loss of our financial institution sponsorship that facilitates our participation in the payment networks, either of which could materially impede our ability to conduct business.

Although we generally require that our agreements with our distribution partners and service providers who have access to client and customer data include confidentiality obligations that restrict these parties from using or disclosing any client or customer data except as necessary to perform their services under the applicable agreements, we cannot assure you that these contractual measures will prevent the unauthorized disclosure of business or client data, nor can we be sure that such third parties would be willing or able to satisfy liabilities arising from their breach of these agreements. Any failure to adequately take these protective measures could result in protracted or costly litigation.

In addition, our agreements with our bank sponsors (as well as payment network requirements) require us to take certain protective measures to ensure the confidentiality of business and consumer data. Any failure to adequately comply with these protective measures could result in fees, penalties, litigation or termination of our bank sponsor agreements.

Any significant unauthorized disclosure of sensitive data entrusted to us would cause significant damage to our reputation, and impair our ability to attract new integrated technology and distribution partners, and may cause parties with whom we already have such agreements to terminate them.

If we fail to comply with the applicable requirements of the Visa and Mastercard payment networks, those payment networks could seek to fine us, suspend us or terminate our registrations through our bank sponsors.

We do not directly access the payment card networks, such as Visa and Mastercard, that enable our acceptance of credit cards and debit cards, including some types of prepaid cards. Accordingly, we must rely on banks or other payment processors to process transactions and must pay fees for the services. To provide our merchant acquiring services, we are registered through our bank sponsors with the Visa and Mastercard networks as service providers for member institutions. Approximately 99% of our \$10.3 billion in payment volume in fiscal year 2017 was attributable to transactions processed on the Visa and Mastercard networks. As such, we, our bank sponsors and many of our clients are subject to complex and evolving payment network rules. The payment networks routinely update and modify requirements applicable to merchant acquirers, including rules regulating data integrity, third-party relationships (such as those with respect to bank sponsors and ISOs), merchant chargeback standards and Payment Card Industry Data Security Standards (PCI DSS). The rules of the card networks are set by their boards, which may be influenced by card issuers, some of which offer competing transaction processing services.

If we or our bank sponsors fail to comply with the applicable rules and requirements of the Visa or Mastercard payment networks, Visa or Mastercard could suspend or terminate our registration. Further, our transaction processing capabilities, including with respect to settlement processes, could be delayed or otherwise disrupted, and recurring non-compliance could result in the payment networks seeking to fine us, or suspend or terminate our registrations which allow us to process transactions on their networks, which would make it impossible for us to conduct our business on its current scale.

Under certain circumstances specified in the payment network rules, we may be required to submit to periodic audits, self-assessments or other assessments of our compliance with the PCI DSS. Such activities may reveal that we have failed to comply with the PCI DSS. In addition, even if we comply with the PCI DSS, there is no assurance that we will be protected from a security breach. The termination of our registration with the payment networks, or any changes in payment network or issuer rules that limit our ability to provide merchant acquiring services, could have an adverse effect on our payment processing volumes, revenues and operating costs. If we are unable to comply with the requirements applicable to our settlement activities, the payment networks may no longer allow us to provide these services, which would require us to spend additional resources to obtain settlement services from a third-party provider. In addition, if we were precluded from processing Visa and Mastercard electronic payments, we would lose substantially all of our revenues.

We are also subject to the operating rules of the National Automated Clearing House Association ("NACHA"). NACHA is a self-regulatory organization which administers and facilitates private-sector operating rules for ACH payments and defines the roles and responsibilities of financial institutions and other ACH network participants. The NACHA Rules and Operating Guidelines impose obligations on us and our partner financial institutions. These obligations include audit and oversight by the financial institutions and the imposition of mandatory corrective action, including termination, for serious violations. If an audit or self-assessment under PCI DSS or NACHA identifies any deficiencies that we need to remediate, the remediation efforts may distract our management team and be expensive and time consuming.

If our bank sponsorships are terminated and we are not able to secure or successfully migrate client portfolios to new bank sponsors, we will not be able to conduct our business.

If the banks that sponsor us with the Visa and Mastercard networks stop sponsoring us, we would need to find other financial institutions to provide those services, which could be difficult and expensive. If we are unable to find a replacement financial institution to provide sponsorship, we may no longer be able to provide processing services to affected clients, which would negatively impact our revenues and earnings. Furthermore, some agreements with our bank sponsors give them substantial discretion in approving certain aspects of our business practices, including our solicitation, application and qualification procedures for clients and the terms of our agreements with clients. Our bank sponsors' discretionary actions under these agreements could have a material adverse effect on our business, financial condition, and results of operations.

We have faced, and may in the future face, significant chargeback liability if our clients refuse or cannot reimburse chargebacks resolved in favor of their customers, and may not accurately anticipate these liabilities.

We have potential liability for chargebacks associated with our clients' processing transactions. If a billing dispute between a client and a cardholder is not ultimately resolved in favor of our client, the disputed transaction is "charged back" to the client's bank and credited to the account of the cardholder. Anytime our client is unable to satisfy a chargeback, we are responsible for that chargeback.

If we are unable to collect the chargeback from the client's account or reserve account (if applicable), or if the client refuses or is financially unable due to bankruptcy or other reasons to reimburse us for the chargeback, we bear the loss for the amount of the refund paid to the cardholder's bank. We incurred chargeback losses of \$0.2 million, or less than 0.1% of revenues, in our 2017 fiscal year and \$0.3 million, or 0.1% of revenues, in our 2016 fiscal year. Any increase in chargebacks not paid by our clients could have a material adverse effect on our business, financial condition and results of operations.

We are potentially liable for losses caused by fraudulent credit card transactions. Card fraud occurs when a client's customer uses a stolen card (or a stolen card number in a card-not-present transaction) to purchase merchandise or services. In a traditional card-present transaction, if the client swipes the card, receives authorization for the transaction from the card issuing bank and verifies the signature on the back of the card against the paper receipt signed by the customer, the card issuing bank remains liable for any loss. In a fraudulent card-not-present transaction, even if the client receives authorization for the transaction, the client is liable for any loss arising from the transaction. Many of the SMB clients that we serve are small and transact a substantial percentage of their sales over the Internet or in response to telephone or mail orders. Because their sales are card-not-present transactions, these clients are more vulnerable to customer fraud than larger clients. Because we target these SMB clients, we experience chargebacks arising from cardholder fraud more frequently than providers of payment processing services that service larger businesses and organizations.

Business fraud occurs when a business or organization, rather than a cardholder, knowingly uses a stolen or counterfeit card or card number to record a false sales transaction, or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Business fraud also occurs when employees of businesses change the business demand deposit accounts to their personal bank account numbers, so that payments are improperly credited to the employee's personal account. We have established systems and procedures to detect and reduce the impact of business fraud, but we cannot assure you that these measures are or will be effective. Incidents of fraud could increase in the future. Failure to effectively manage risk and prevent fraud could increase our chargeback liability and other liability.

On occasion, we experience increases in interchange and sponsorship fees; if we cannot pass these increases along to our clients, our profit margins will be reduced.

We pay interchange fees or assessments to issuing banks through the card associations for each transaction that is processed using their credit and debit cards. From time to time, the card associations increase the interchange fees that they charge processors and the sponsoring banks. At their sole discretion, our sponsoring banks have the right to pass any increases in interchange fees on to us. In addition, our sponsoring banks may seek to increase their sponsorship fees to us, all of which are based upon the dollar amount of the payment transactions we process. If we are not able to pass these fee increases along to clients through corresponding increases in our processing fees, our profit margins will be reduced.

Our systems and our third-party providers' systems may fail or our third-party providers may discontinue providing their services or technology generally or to us specifically, which in either case could interrupt our business, cause us to lose business and increase our costs.

We rely on third parties for specific services, software and hardware used in providing our products and services. Some of these organizations and service providers are our competitors or provide similar services and technology to our competitors, and we may not have long-term contracts with them. If these contracts are canceled or we are unable to renew them on commercially reasonable terms, or at all, our business, financial condition and results of operation could be adversely impacted. The termination by our service or technology providers of their arrangements with us or their failure to perform their services efficiently and effectively may adversely affect our relationships with our clients and, if we cannot find alternate providers quickly, may cause those clients to terminate their processing agreements with us.

We also rely in part on third parties for the development and access to new technologies, or for updates to existing products and services for which they provide ongoing support. Failure by these third-party providers to devote an appropriate level of attention to our products and services could result in delays in introducing new products or services, or delays in resolving any issues with existing products or services for which third-party providers provide ongoing support.

Our systems and operations or those of our third-party technology vendors could be exposed to damage or interruption from, among other things, fire, natural disaster, power loss, telecommunications failure, unauthorized entry, computer viruses, denial-of-service attacks, acts of terrorism, human error, vandalism or sabotage, financial insolvency and similar events. Our property and business interruption insurance may not be adequate to compensate us for all losses or failures that may occur. Likewise, while we have disaster recovery policies and arrangements in place, they have not been tested under actual disasters or similar events. Defects in our systems or those of third parties, errors or delays in the processing of payment transactions, telecommunications failures or other difficulties could result in:

- loss of revenues;
- loss of clients;
- loss of client and cardholder data;
- fines imposed by payment networks;
- harm to our business or reputation resulting from negative publicity;
- exposure to fraud losses or other liabilities;
- additional operating and development costs; or
- diversion of management, technical and other resources, among other consequences.

We are subject to economic and political risk, the business cycles of our clients and distribution partners and the overall level of consumer and commercial spending, which could negatively impact our business, financial condition and results of operations.

The electronic payment industry depends heavily on the overall level of consumer and commercial spending. We are exposed to general economic conditions that affect consumer confidence, consumer spending, consumer discretionary income and changes in consumer purchasing habits. A sustained deterioration in general economic conditions, particularly in the United States, or increases in interest rates, could adversely affect our financial

performance by reducing the number or aggregate volume of transactions made using electronic payments. A reduction in the amount of consumer or commercial spending could result in a decrease in our revenue and profits. If our clients make fewer purchases or sales of products and services using electronic payments, or consumers spend less money through electronic payments, we will have fewer transactions to process at lower dollar amounts, resulting in lower revenue.

A weakening in the economy could have a negative impact on our clients, as well as their customers who purchase products and services using the payment processing systems to which we provide access, which could, in turn, negatively affect our business, financial condition and results of operations. In addition, a weakening in the economy could force SMBs to close at higher than historical rates in part because many of them are not as well capitalized as larger organizations, which could expose us to potential credit losses and future transaction declines. Further, credit card issuers may reduce credit limits and become more selective in their card issuance practices. We also have a certain amount of fixed and semi-fixed costs, including rent, debt service and salaries, which could limit our ability to quickly adjust costs and respond to changes in our business and the economy.

A decline in the use of cards and ACH as payment mechanisms for consumers and businesses or adverse developments in the electronic payment industry in general could adversely affect our business, financial condition and operating results.

If consumers and businesses do not continue to use cards or ACH as payment mechanisms for their transactions or if the mix of payments among the types of cards and ACH changes in a way that is adverse to us, it could have a material adverse effect on our business, financial condition and results of operations. Regulatory changes may also result in our clients seeking to charge their customers additional fees for use of credit or debit cards. Additionally, in recent years, increased incidents of security breaches have caused some consumers to lose confidence in the ability of businesses to protect their information, causing certain consumers to discontinue use of electronic payment methods. Security breaches could result in financial institutions canceling large numbers of credit and debit cards, or consumers or businesses electing to cancel their cards following such an incident.

We may not be able to continue to expand our share of our existing vertical markets or expand into new vertical markets, which would inhibit our ability to grow and increase our profitability.

Our future growth and profitability depend, in part, upon our continued expansion within the vertical markets in which we currently operate, the emergence of other vertical markets for electronic payments and our integrated solutions, and our ability to penetrate new vertical markets and our current distribution partners' customer base. As part of our strategy to expand into new vertical markets, we look for acquisition opportunities and partnerships with other businesses that will allow us to increase our market penetration, technological capabilities, product offerings and distribution capabilities. We may not be able to successfully identify suitable acquisition or partnership candidates in the future, and if we do, they may not provide us with the benefits we anticipated.

Our expansion into new vertical markets also depends upon our ability to adapt our existing technology or to develop new technologies to meet the particular needs of each new vertical market. We may not have adequate financial or technological resources to develop effective and secure services or distribution channels that will satisfy the demands of these new vertical markets. Penetrating these new vertical markets may also prove to be more challenging or costly or take longer than we may anticipate. If we fail to expand into new vertical markets and increase our penetration into existing vertical markets, we may not be able to continue to grow our revenues and earnings.

We may not be able to successfully execute our strategy of growth through acquisitions.

A significant part of our growth strategy is to enter into new vertical markets through platform acquisitions of vertically-focused integrated payment and software solutions providers and to expand within our existing vertical markets through selective tuck-in acquisitions. Since our formation in 2012, we have completed a total of nine platform and twelve tuck-in acquisitions that enabled us to enter new, or expand within existing, vertical markets.

Although we expect to continue to execute our acquisition strategy:

- we may not be able to identify suitable acquisition candidates or acquire additional assets on favorable terms;
- we may compete with others to acquire assets, which competition may increase, and any level of competition could result in decreased availability or increased prices for acquisition candidates;
- we may compete with others for select acquisitions and our competition may consist of larger, better-funded organizations with more resources and easier access to capital;
- we may experience difficulty in anticipating the timing and availability of acquisition candidates;
- we may not be able to obtain the necessary financing, on favorable terms or at all, to finance any of our potential acquisitions; and
- we may not be able to generate cash necessary to execute our acquisition strategy.

The occurrence of any of these factors could adversely affect our growth strategy.

Revenues and profits generated via acquisition may be less than anticipated and we may fail to uncover all liabilities of acquisition targets through the due diligence process prior to an acquisition, resulting in unanticipated costs, losses or a decline in profits, as well as potential impairment charges.

In evaluating and determining the purchase price for a prospective acquisition, we estimate the future revenues and profits from that acquisition based largely on historical financial performance. Following an acquisition, we may experience some attrition in the number of clients serviced by an acquired provider of payment processing services or included in an acquired portfolio of merchant accounts. Should the rate of post-acquisition client attrition exceed the rate we forecasted, the revenues and profits from the acquisition may be less than we estimated, which could result in losses or a decline in profits, as well as potential impairment charges.

We perform a due diligence review of each of our acquisition partners. This due diligence review, however, may not adequately uncover all of the contingent or undisclosed liabilities we may incur as a consequence of the proposed acquisition, exposing us to potentially significant, unanticipated costs, as well as potential impairment charges.

We may encounter delays, operational difficulties and non-recurring costs in completing the necessary transfer of data processing functions and connecting systems links required by an acquisition, resulting in increased costs for, and a delay in the realization of revenues from, that acquisition.

The acquisition of a provider of payment processing services, as well as a portfolio of merchant accounts, requires the transfer of various data processing functions and connecting links to our systems and those of our third-party service providers. If the transfer of these functions and links does not occur rapidly and smoothly, payment processing delays and errors may occur, resulting in a loss of revenues, increased client attrition and increased expenditures to correct the transitional problems, which could preclude our attainment of, or reduce, our anticipated revenue and profits.

In connection with some acquisitions, we may incur non-recurring severance expenses, restructuring charges or change of control payments. These expenses, charges or payments, as well as the initial costs of integrating the personnel and facilities of an acquired business with those of our existing operations, may adversely affect our operating results during the initial financial periods following an acquisition. In addition, the integration of newly acquired companies may lead to diversion of management attention from other ongoing business concerns.

A decrease in the quality of the products and services we offer, including support services, could adversely impact our ability to attract and retain clients and distribution partners.

Our clients expect a consistent level of quality in the provision of our products and services. The support services that we provide are also a key element of the value proposition to our clients. If the reliability or functionality of our products and services is compromised or the quality of those products or services is otherwise

degraded, or if we fail to continue to provide a high level of support, we could lose existing clients and find it harder to attract new clients and distribution partners.

Changes in tax laws or their interpretations, or becoming subject to additional U.S., state or local taxes that cannot be passed through to our clients, could negatively affect our business, financial condition and results of operations.

We are subject to extensive tax liabilities, including federal and state and transactional taxes such as excise, sales/use, payroll, franchise, withholding, and ad valorem taxes. Changes in tax laws or their interpretations could decrease the amount of revenues we receive, the value of any tax loss carryforwards and tax credits recorded on our balance sheet and the amount of our cash flow, and have a material adverse impact on our business, financial condition and results of operations. Some of our tax liabilities are subject to periodic audits by the respective taxing authority which could increase our tax liabilities. Furthermore, companies in the payment processing industry, including us, may become subject to incremental taxation in various tax jurisdictions. Taxing jurisdictions have not yet adopted uniform positions on this topic. If we are required to pay additional taxes and are unable to pass the tax expense through to our clients, our costs would increase and our net income would be reduced, which could have a material adverse effect on our business, financial condition and results of operations.

On December 22, 2017, President Trump signed into law H.R. 1, originally known as the "Tax Cuts and Jobs Act," which includes significant changes to the taxation of business entities. These changes include, among others, a reduction in the corporate income tax rate. We continue to examine the impact this tax reform legislation may have on our business. Notwithstanding the reduction in the corporate income tax rate, the overall impact of this tax reform is uncertain, and our business and financial condition could be adversely affected. This prospectus does not discuss such tax legislation or the manner in which it might affect purchasers of our common stock. We urge our stockholders, including purchasers of Class A common stock in this offering, to consult with their legal and tax advisors with respect to any such legislation and the potential tax consequences of investing in our common stock.

Many of our clients are SMBs, which can be more difficult and costly to retain than larger enterprises and may increase the effect of economic fluctuations on us.

Many of our clients are SMBs. To continue to grow our revenue, we must add new SMB clients, sell additional products and services to existing SMB clients and encourage existing SMB clients to continue doing business with us. However, retaining SMB clients can be more difficult than retaining large enterprises because SMBs often have higher rates of business failures and more limited resources and are typically less able to make technology-related decisions based on factors other than price.

SMBs are typically more susceptible to the adverse effects of economic fluctuations. Adverse changes in the economic environment or business failures of our SMB clients may have a greater impact on us than on our competitors who do not focus on SMBs to the extent that we do. As a result, we may need to onboard new clients at an accelerated rate or decrease our expenses to reduce negative impacts on our business, financial condition and results of operations.

We may not be able to successfully manage our intellectual property.

Our intellectual property is critical to our future success, particularly in our strategic verticals where we may offer proprietary software solutions to our clients. We rely on a combination of contractual license rights and copyright, trademark and trade secret laws to establish and protect our proprietary technology. Third parties may challenge, invalidate, circumvent, infringe or misappropriate our intellectual property or the intellectual property of our third party licensors, or such intellectual property may not be sufficient to permit us to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain service offerings or other competitive harm. Others, including our competitors, may independently develop similar technology, duplicate our products and services, design around or reverse engineer our intellectual property, and in such cases neither we nor our third-party licensors may be able to assert intellectual property rights against such parties. Further, our contractual license arrangements may be subject to termination or renegotiation with unfavorable terms to us, and our third-party licensors may be subject to bankruptcy, insolvency and other adverse business dynamics, any of which might affect our ability to use and

exploit the products licensed to us by these third-party licensors. We may have to litigate to enforce or determine the scope and enforceability of our intellectual property rights (including litigation against our third-party licensors), which is expensive, could cause a diversion of resources and may not prove successful. The loss of intellectual property protection or the inability to obtain third-party intellectual property could harm our business and ability to compete.

We may be subject to infringement claims.

We may be subject to costly litigation if our products or services are alleged to infringe upon or otherwise violate a third party's proprietary rights. Third parties may have, or may eventually be issued, patents that could be infringed by our products and services. Any of these third parties could make a claim of infringement against us with respect to our products and services. We may also be subject to claims by third parties for patent infringement, breach of copyright, trademark, license usage or other intellectual property rights. Any claim from third parties may result in a limitation on our ability to use the intellectual property subject to these claims. Additionally, in recent years, individuals and groups have been purchasing intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies like ours. Even if we believe that intellectual property related claims are without merit, defending against such claims is time consuming and expensive and could result in the diversion of the time and attention of our management and employees. Claims of intellectual property infringement also might require us to redesign affected products or services, enter into costly settlement or license agreements, pay costly damage awards for which we may not have insurance, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our products or services. Even if we have an agreement for indemnification against such costs, the indemnifying party, if any in such circumstances, may be unable to uphold its contractual obligations. If we cannot or do not license the infringed technology on reasonable terms or substitute similar technology from another source, our revenue and earnings could be adversely affected.

If we lose key personnel, or if their reputations are damaged, our business, financial condition and results of operations may be adversely affected, and proprietary information of our company could be shared with our competitors.

We depend on the ability and experience of a number of our key personnel, particularly Messrs. Daily, Whitson, Stanford and Bertke, who have substantial experience with our operations, the rapidly changing payment processing industry and the vertical markets in which we offer our products and services. Many of our key personnel have worked for us for a significant amount of time or were recruited by us specifically due to their experience. Our success depends in part upon the reputation and influence within the industry of our senior managers who have, over the years, developed long standing and favorable relationships with our vendors, card associations, bank sponsors and other payment processing and service providers. For example, Mr. Daily filed for personal bankruptcy protection under Chapter 11 in 2009. While Mr. Daily's bankruptcy has been closed and a final decree was issued in 2011, there can be no assurance that unfavorable publicity arising from it will not have an adverse effect on our business. See "Management—Certain Legal Proceedings." It is possible that the loss of the services of one or a combination of our senior executives or key managers could have a material adverse effect on our business, financial condition and results of operations. In addition, contractual obligations related to confidentiality and assignment of intellectual property rights may be ineffective or unenforceable, and departing employees may share our proprietary information with competitors in ways that could adversely impact us.

In a dynamic industry like ours, our success and growth depend on our ability to attract, recruit, retain and develop qualified employees.

Our business functions at the intersection of rapidly changing technological, social, economic and regulatory developments that require a wide-ranging set of expertise and intellectual capital. For us to continue to successfully compete and grow, we must attract, recruit, develop and retain the necessary personnel who can provide the needed expertise across the entire spectrum of our intellectual capital needs. While we have a number of key personnel who have substantial experience with our operations, we must also develop our personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. The market for qualified personnel is competitive, and we may not succeed in recruiting additional personnel or may fail to effectively replace current personnel who depart with qualified or effective successors. Our effort to retain and develop personnel may also result in significant additional expenses,

which could adversely affect our profitability. We can make no assurances that qualified employees will continue to be employed or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse effect on our business, financial condition and results of operations.

Our operating results and operating metrics are subject to seasonality and volatility, which could result in fluctuations in our quarterly revenues and operating results or in perceptions of our business prospects.

We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our revenues as a result of consumer spending patterns. Historically our revenues have been strongest in our first, third and fourth fiscal quarters and weakest in our second fiscal quarter. This is due to the increase in the number and amount of electronic payment transactions related to seasonal retail events, such as holiday and vacation spending. The number of business days in a month or quarter also may affect seasonal fluctuations. We also experience volatility in certain other metrics, such as clients, transactions and dollar volume. Volatility in our key operating metrics or their rates of growth could have a negative impact on our financial results and investor perceptions of our business prospects.

We are a decentralized company, which presents certain risks, including the risk that we may be slower or less able to identify or react to problems affecting a key business than we would in a more centralized environment, which could materially and adversely affect our business, financial condition and results of operations.

We are a decentralized company. While we believe this structure has catalyzed our growth and enabled us to remain responsive to opportunities and to our clients' needs, it necessarily places significant control and decision-making powers in the hands of local management. This presents various risks, including the risk that we may be slower or less able to identify or react to problems affecting a key business than we would in a more centralized environment. In addition, it means that we may be slower to detect compliance related problems and that "company-wide" business initiatives, such as the integration of disparate information technology systems, are often more challenging and costly to implement, and their risk of failure higher, than they would be in a more centralized environment. Depending on the nature of the problem or initiative in question, such failure could materially and adversely affect our business, financial condition or results of operations.

We are the subject of various claims and legal proceedings and may become the subject of claims, litigation or investigations which could have a material adverse effect on our business, financial condition or results of operations.

In the ordinary course of business, we are the subject of various claims and legal proceedings and may become the subject of claims, litigation or investigations, including commercial disputes and employee claims, such as claims of age discrimination, sexual harassment, gender discrimination, immigration violations or other local, state and federal labor law violations, and from time to time may be involved in governmental or regulatory investigations or similar matters arising out of our current or future business. Any claims asserted against us or our management, regardless of merit or eventual outcome, could harm our reputation or the reputation of our management and have an adverse impact on our relationship with our clients, distribution partners and other third parties and could lead to additional related claims. In light of the potential cost and uncertainty involved in litigation, we have in the past and may in the future settle matters even when we believe we have a meritorious defense. Certain claims may seek injunctive relief, which could disrupt the ordinary conduct of our business and operations or increase our cost of doing business. Our insurance or indemnities may not cover all claims that may be asserted against us. Furthermore, there is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Any judgments or settlements in any pending litigation or future claims, litigation or investigation could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Regulation

We are subject to extensive government regulation, and any new laws and regulations, industry standards or revisions made to existing laws, regulations or industry standards affecting the electronic payments industry, or our actual or perceived failure to comply with such obligations, may have an unfavorable impact on our business, financial condition and results of operations.

We are subject to numerous federal and state regulations that affect the electronic payments industry. Regulation of our industry has increased significantly in recent years and is constantly evolving. Changes to statutes, regulations or industry standards, including interpretation and implementation of statutes, regulations or standards, could increase our cost of doing business or affect the competitive balance. We are also subject to U.S. financial services regulations, numerous consumer protection laws, escheat regulations and privacy and information security regulations, among other laws, rules and regulations. Failure to comply with regulations may have an adverse effect on our business, including the limitation, suspension or termination of services provided to, or by, third parties, and the imposition of penalties or fines. To the extent these regulations negatively impact the business, operations or financial condition of our clients, our business and results of operations could be materially and adversely affected because, among other matters, our clients could have less capacity to purchase products and services from us, could decide to avoid or abandon certain lines of business, or could seek to pass on increased costs to us by negotiating price reductions. We could be required to invest a significant amount of time and resources to comply with additional regulations or oversight or to modify the manner in which we contract with or provide products and services to our clients; and those regulations could directly or indirectly limit how much we can charge for our services. We may not be able to update our existing products and services, or develop new ones, to satisfy our clients' needs. Any of these events, if realized, could have a material adverse effect on our business, results of operations and financial condition.

These and other laws and regulations, even if not directed at us, may require us to make significant efforts to change our products and services and may require that we incur additional compliance costs and change how we price our products and services to our clients and distribution partners. Implementing new compliance efforts is difficult because of the complexity of new regulatory requirements, and we are devoting and will continue to devote significant resources to ensure compliance. Furthermore, regulatory actions may cause changes in business practices by us and other industry participants which could affect how we market, price and distribute our products and services, and which could materially adversely affect our business, financial condition and results of operations. In addition, even an inadvertent failure to comply with laws and regulations, as well as rapidly evolving social expectations of corporate fairness, could damage our business or our reputation.

Compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and other federal and state regulations may increase our compliance costs, limit our revenues and otherwise negatively affect our business.

Since the enactment of the Dodd-Frank Act, there have been substantial reforms to the supervision and operation of the financial services industry, including numerous new regulations that have imposed compliance costs and, in some cases, limited revenue sources for us and our financial institution partners and clients. Among other things, the Dodd-Frank Act established the Consumer Financial Protection Bureau (the "CFPB"), which is empowered to conduct rule-making and supervision related to, and enforcement of, federal consumer financial protection laws. The CFPB has issued guidance that applies to "supervised service providers," which the CFPB has defined to include service providers, like us, to CFPB supervised banks and nonbanks. In addition, federal and state agencies have recently proposed or enacted cybersecurity regulations, such as the Cybersecurity Requirements for Financial Services Companies issued by the New York State Department of Financial Services and the Advance Notice of Proposed Rulemaking on Enhanced Cyber Risk Management Standards issued by The Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation in October 2016. Such cybersecurity regulations are applicable to large bank holding companies and their subsidiaries, as well as to service providers to those organizations. Any new rules and regulations implemented by the CFPB, state or other authorities or in connection with the Dodd-Frank Act could, among other things, slow our ability to adapt to a rapidly changing industry, require us to make significant additional investments to comply with them, redirect time and resources to compliance obligations, modify our products or services or the manner in which they are provided, or limit or change the amount or types of revenue we are able to generate.

Interchange fees, which the payment processor typically pays to the card issuer in connection with credit and debit card transactions, are subject to increasingly intense legal, regulatory and legislative scrutiny. In particular, the Dodd-Frank Act regulates and limits debit card fees charged by certain card issuers, allowing businesses and organizations to set minimum dollar amounts for the acceptance of credit cards. Specifically, under the so-called "Durbin Amendment" to the Dodd-Frank Act, the interchange fees that certain issuers charge businesses and organizations for debit transactions are regulated by the Federal Reserve and must be "reasonable and proportional" to the cost incurred by the issuer in authorizing, clearing and settling the transactions. Rules released by the Federal Reserve in July 2011 to implement the Durbin Amendment mandate a cap on debit transaction interchange fees for card issuers with assets of \$10 billion or greater. Since October 2011, a payment network may not prohibit a card issuer from contracting with any other payment network for the processing of electronic debit transactions involving the card issuer's debit cards, and card issuers and payment networks may not inhibit the ability of businesses and organizations to direct the routing of debit card transactions over any payment networks that can process the transactions.

Rules implementing the Dodd-Frank Act also contain certain prohibitions on payment network exclusivity and merchant routing restrictions. These restrictions could negatively affect the number of debit transactions, and prices charged per transaction, which would negatively affect our business.

If we violate the Family Educational Rights and Privacy Act ("FERPA") and the Protection of Pupil Rights Amendment ("PPRA"), it could result in a material breach of contract with one or more of our clients in our education vertical and could harm our reputation. Further, if we disclose student information in violation of FERPA or PPRA, our access to student information could be suspended.

Our systems and solutions must also comply, in certain circumstances, with FERPA and PPRA, as well as rapidly emerging state student data privacy laws that require schools to protect student data and to adopt privacy policies which can significantly vary from one state to another. FERPA generally prohibits an educational institution from disclosing personally identifiable information from a student's education records without the parent's consent unless certain statutory exceptions apply. Our school clients and their students disclose to us, and we may store, certain information that originates from or comprises a student education record under FERPA. PPRA puts limits on "survey, analysis or evaluations" that may come into play when schools employ internet-based educational services. Schools are required to develop policies that address, among other things, the collection, disclosure or use of personal information collected from students for the purpose of marketing or selling that information, and can place restrictions on third parties' use of that data. As an entity that provides services to educational institutions, we are indirectly subject to FERPA's and PPRA's privacy requirements, and we may not transfer or otherwise disclose or use any personally identifiable information from a student record to another party other than on a basis and in a manner permitted under the statutes. If we violate FERPA or PPRA, it could result in a material breach of contract with one or more of our clients and could harm our reputation. Further, if we disclose student information in violation of FERPA or PPRA, our access to student information could be suspended.

We must comply with laws and regulations prohibiting unfair or deceptive acts or practices, and any failure to do so could materially and adversely affect our business.

We and many of our clients are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices. In addition, provisions of the Dodd-Frank Act that prohibit unfair, deceptive or abusive acts or practices ("UDAAP"), the Telemarketing Sales Act and other laws, rules and or regulations, may directly impact the activities of certain of our clients, and in some cases may subject us, as the electronic payment processor or provider of certain services, to investigations, fees, fines and disgorgement of funds if we were deemed to have improperly aided and abetted or otherwise provided the means and instrumentalities to facilitate the illegal or improper activities of the client through our services. Various federal and state regulatory enforcement agencies including the Federal Trade Commission and state attorneys general have authority to take action against non-banks that engage in unfair or deceptive acts or practices or UDAAP, or violate other laws, rules and regulations. To the extent we are processing payments or providing products and services for a client that may be in violation of laws, rules and regulations, we may be subject to enforcement actions and as a result may incur losses and liabilities that may adversely affect our business.

Numerous other federal laws affect our business, and any failure to comply with those laws could harm our business.

Our PayFac solutions present certain regulatory challenges, principally those relating to money transmitter issues. To address these challenges we, along with our third-party service providers, use structural arrangements designed to prevent us from receiving or controlling our client's funds and therefore remove our activities from the scope of money transmitter regulation. There can be no assurance that these structural arrangements will remain effective as money transmitter laws continue to evolve or that the applicable regulatory bodies, particularly state agencies, will view our PayFac activities as compliant.

Our business may also be subject to the Fair Credit Reporting Act (the "FCRA"), which regulates the use and reporting of consumer credit information and also imposes disclosure requirements on entities that take adverse action based on information obtained from credit reporting agencies. We could be liable if our practices under the FCRA do not comply with the FCRA or regulations under it.

The Housing Assistance Tax Act of 2008 included an amendment to the Internal Revenue Code of 1986, as amended, or the "Code," that requires information returns to be made for each calendar year by payment processing entities and third-party settlement organizations with respect to payments made in settlement of electronic payment transactions and third-party payment network transactions occurring in that calendar year. Reportable transactions are also subject to backup withholding requirements. We could be liable for penalties if our information returns are not in compliance with these regulations.

Our solutions may be required to conform, in certain circumstances, to requirements set forth in the Health Insurance Portability and Accountability Act of 1996, which governs the privacy and security of "protected health information."

Depending on how our products and services evolve, we may be subject to a variety of additional laws and regulations, including those governing money transmission, gift cards and other prepaid access instruments, electronic funds transfers, anti-money laundering, counter-terrorist financing, restrictions on foreign assets, gambling, banking and lending, U.S. Safe Harbor regulations, and import and export restrictions. Additionally, we are contractually required to comply with certain anti-money laundering regulations in connection with our payment processing activities. These regulations are generally governed by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury ("FinCEN") and the Office of Foreign Assets Control ("OFAC"). Our efforts to comply with these laws and regulations could be costly and result in diversion of management time and effort and may still not guarantee compliance. Regulators continue to increase their scrutiny of compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures we use to verify the identity of our clients and our clients' customers, and to monitor transactions. If we are found to be in violation of any such legal or regulatory requirements, we may be subject to monetary fines or other penalties such as a cease and desist order, or we may be required to make product changes, any of which could have an adverse effect on our business and financial results.

Governmental regulations designed to protect or limit access to or use of consumer information could adversely affect our ability to effectively provide our products and services.

In addition to those regulations discussed previously that are imposed by the card networks and NACHA, governmental bodies in the United States have adopted, or are considering the adoption of, laws and regulations restricting the use, collection, storage, transfer and disposal of, and requiring safeguarding of, non-public personal information. Our operations are subject to certain provisions of these laws. Relevant federal privacy laws include, in addition to FERPA and PPRA described above, the Gramm-Leach-Bliley Act of 1999, which applies directly to a broad range of financial institutions and indirectly, or in some instances directly, to companies that provide services to financial institutions. The U.S. Children's Online Privacy Protection Act (COPPA) also regulates the collection of information by operators of websites and other electronic solutions that are directed to children under 13 years of age. These laws and regulations restrict the collection, processing, storage, use and disclosure of personal information, require notice to individuals of privacy practices and provide individuals with certain rights to prevent the use and disclosure of protected information. These laws also impose requirements for safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. In addition, there are state laws restricting the ability to collect and utilize certain types of information such as Social

Security and driver's license numbers. Certain state laws impose similar privacy obligations as well as obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and consumer reporting agencies and businesses and governmental agencies that own data.

In connection with providing products and services to our clients, we are required by regulations and by our contracts with them and with our financial institution distribution partners to provide assurances regarding the confidentiality and security of non-public consumer information. These contracts may require periodic audits by independent companies regarding our compliance with applicable standards. The compliance standards relate to the security of our infrastructure, and include components and operational procedures designed to safeguard the confidentiality and security of individuals' non-public personal information that our clients share with us. Our ability to maintain compliance with these standards and satisfy these audits will affect our ability to attract, grow and maintain business in the future. If we fail to comply with the laws and regulations relating to data privacy and information security, we could be exposed to suits for breach of contract or to regulatory enforcement proceedings. In addition, our relationships and reputation could be harmed, which could inhibit our ability to retain existing clients and distribution partners and obtain new clients and distribution partners.

If more restrictive privacy laws or rules are adopted by authorities in the future on the federal or state level, our compliance costs may increase and our ability to perform due diligence on, and monitor the risk of, our current and potential clients may decrease, which could create liability for us. Additionally, if we suffer compliance failures or a data breach, or any similar event causing reputational harm, our opportunities for growth may be curtailed, and our potential liability for security breaches may increase, all of which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Indebtedness

Our indebtedness could adversely affect our financial health and competitive position.

As of _____, 2018, as adjusted to reflect the application of the proceeds from this offering, we had \$ _____ million of indebtedness outstanding under our Senior Secured Credit Facility, consisting of \$ _____ million outstanding under our term loan and \$ _____ million outstanding under our revolving loan, of which approximately \$ _____ million bears interest at a floating rate. Although we may enter into interest rate swap agreements in the future, we and our subsidiaries are exposed to interest rate increases on the floating portion of our Senior Secured Credit Facility that are not covered by interest rate swaps. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk."

To service this debt and any additional debt we may incur in the future, we need to generate cash. Our ability to generate cash is subject, to a certain extent, to our ability to successfully execute our business strategy, including acquisition activity, as well as general economic, financial, competitive, regulatory and other factors beyond our control. We cannot assure you that our business will be able to generate sufficient cash flow from operations or that future borrowings or other financing will be available to us in an amount sufficient to enable us to service our debt and fund our other liquidity needs. To the extent we are required to use our cash flow from operations or the proceeds of any future financing to service our debt instead of funding working capital, capital expenditures, acquisition activity or other general corporate purposes, we will be less able to plan for, or react to, changes in our business, industry and in the economy generally. This will place us at a competitive disadvantage compared to our competitors that have less debt. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all, or that the terms of that debt will allow any of the above alternative measures or that these measures would satisfy our scheduled debt service obligations. If we are unable to generate sufficient cash flow to repay or refinance our debt on favorable terms, it could significantly adversely affect our financial condition and the value of our outstanding debt. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

In addition, the credit agreement governing our Senior Secured Credit Facility contains, and any agreements evidencing or governing other future debt may contain, certain restrictive covenants that limit our ability, among other things, to engage in certain activities that are in our long-term best interests, including our ability to:

- incur liens on property, assets or revenues;
- incur or guarantee additional debt or amend our debt and other material agreements;
- declare or make distributions and redeem or repurchase equity interests or issue preferred stock;
- prepay, redeem or repurchase debt;
- make loans and investments;
- enter into any sale-and-leaseback of property;
- engage in certain business activities; and
- engage in mergers and asset sales.

The restrictive covenants in the credit agreement governing our Senior Secured Credit Facility also require us to maintain specified financial ratios. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Secured Credit Facility.” While we have not previously breached and are not in breach of any of these covenants, there can be no guarantee that we will not breach these covenants in the future. Our ability to comply with these covenants and restrictions may be affected by events and factors beyond our control. Our failure to comply with any of these covenants or restrictions could result in an event of default under our Senior Secured Credit Facility. An event of default would permit the lending banks under the facility to take certain actions, including terminating all outstanding commitments and declaring all amounts outstanding under our credit facility to be immediately due and payable, including all outstanding borrowings, accrued and unpaid interest thereon, and all other amounts owing or payable with respect to such borrowings and any terminated commitments. In addition, the lenders would have the right to proceed against the collateral we granted to them, which includes substantially all of our assets.

We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs.

In the future, we may require additional capital to respond to business opportunities, challenges, acquisitions or unforeseen circumstances, and may determine to engage in equity or debt financings or enter into credit facilities or refinance existing debt for other reasons. We may not be able to timely secure additional debt or equity financing on favorable terms, or at all. As discussed above, the credit agreement governing our Senior Secured Credit Facility contains restrictive covenants that limit our ability to incur additional debt and engage in other capital-raising activities. Any debt financing we obtain in the future could involve covenants that further restrict our capital raising activities and other financial and operational matters, which may make it more difficult for us to operate our business, obtain additional capital and pursue business opportunities, including potential acquisitions. Furthermore, if we raise additional funds by issuing equity or convertible debt or other equity-linked securities, our existing stockholders could suffer significant dilution. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited.

Disruptions in the financial and credit markets may materially and adversely impact consumer spending patterns and affect the availability and cost of credit.

Our ability to make scheduled payments or to refinance our debt and to obtain financing for acquisitions or other general corporate and commercial purposes will depend on our operating and financial performance, which in turn is subject to prevailing economic conditions and to financial, business and other factors beyond our control, including global credit markets and the financial services industry. These factors may adversely impact the availability of credit already arranged, and the availability and cost of credit in the future. There can be no assurance that we will be able to arrange credit on terms we believe are acceptable or that permit us to finance our business with historical margins.

Despite our current level of debt, we may be able to incur more debt, including secured debt, and undertake additional financial obligations. Incurring such debt or undertaking such additional financial obligations could further exacerbate the risk our indebtedness poses to our financial condition.

We may be able to incur significant additional debt, including secured debt, in the future. Although the credit agreement governing our Senior Secured Credit Facility restricts our ability to incur additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and debt we incur in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations that do not constitute “indebtedness” or “debt” under the various instruments governing our debt, may be waived by certain votes of lenders and, if we refinance existing debt, such refinanced debt may contain fewer restrictions on our activities. To the extent we increase our debt above our currently anticipated debt levels, the related risks that we face could intensify.

Risks Related to Our Organizational Structure and Our Company

We are a holding company with no operations of our own, and our principal asset after completion of the Reorganization Transactions and this offering will be our membership interest in i3 Verticals, LLC. Accordingly, we depend on distributions from i3 Verticals, LLC to pay our taxes and other expenses.

We are a holding company with no operations of our own and currently have no significant assets other than our ownership of common units of i3 Verticals, LLC. We currently have no independent means of generating revenue. Consequently, our ability to obtain operating funds depends upon distributions from i3 Verticals, LLC. Furthermore, i3 Verticals, LLC will be treated as a partnership for U.S. federal income tax purposes and, as such, will not itself be subject to U.S. federal income tax. Instead, its net taxable income will generally be allocated to its members, including us, pro rata according to the number of membership interests each member owns. Accordingly, we will incur income taxes on our proportionate share of any net taxable income of i3 Verticals, LLC in addition to expenses related to our operations, and our ability to obtain funds to pay these income taxes currently depends upon distributions from i3 Verticals, LLC. We intend to cause i3 Verticals, LLC to distribute cash to us in an amount at least equal to the amount necessary to cover our respective tax liabilities, if any, with respect to our allocable share of the net income of i3 Verticals, LLC and to cover dividends, if any, we declare, as well as any payments due under the Tax Receivable Agreement. See the detailed discussion under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Secured Credit Facility” for a discussion of the restrictive covenants, including i3 Verticals, LLC’s obligations to maintain specified financial ratios, that may limit its ability to make certain distributions to us.

To the extent that we need funds to pay our taxes or other liabilities or to fund our operations, and i3 Verticals, LLC is restricted from making distributions to us under applicable agreements under which it is bound, including its financing agreements, laws or regulations, does not have sufficient cash to make these distributions or is otherwise unable to provide such funds, we may have to borrow funds to meet these obligations and operate our business, and our liquidity and financial condition could be materially adversely affected. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid.

The interests of our other Continuing Equity Owners in our business may conflict with yours.

The Continuing Equity Owners, who collectively will hold approximately % of the combined voting power of our common stock immediately after the consummation of this offering, may receive payments from us under the Tax Receivable Agreement in connection with our purchase of common units of i3 Verticals, LLC directly from some of the Continuing Equity Owners in connection with this offering as described under “Use of Proceeds,” and upon a later redemption or exchange of their common units in i3 Verticals, LLC, including the issuance of shares of our Class A common stock upon any such redemption or exchange. As a result, the interests of the Continuing Equity Owners may conflict with the interests of holders of our Class A common stock. For example, the Continuing Equity Owners may have different tax positions from us which could influence their decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness, and whether and when we should terminate the Tax Receivable Agreement and accelerate our obligations thereunder. In addition, the structuring of future transactions may take into consideration tax or other considerations of the Continuing Equity Owners even in situations where no similar considerations are relevant to

us. See "Certain Relationships and Related Party Transactions—Tax Receivable Agreement" for a discussion of the Tax Receivable Agreement and the related likely benefits to be realized by the Continuing Equity Owners.

Any payments made under the Tax Receivable Agreement to our equity holders that are parties to such agreement could be significant and will reduce the amount of overall cash flow that would otherwise be available to us.

As a result of our purchase of any common units from some of the Continuing Equity Owners and of any redemptions or exchanges of common units with us for shares of our Class A common stock or, at our option, cash to be paid from i3 Verticals, LLC, we expect to become entitled to the tax benefits attributable to tax basis adjustments involving an amount generally equal to the difference between the value of the shares of Class A common stock we issue in such redemption or exchange or the cash purchase price for the acquired Class A units, and the equity holder's share of the tax basis in i3 Verticals, LLC's tangible and intangible assets that is attributable to the acquired Class A units. We have agreed in the Tax Receivable Agreement entered into with i3 Verticals, LLC and certain of our Continuing Equity Owners to pay to each such holder (either directly or indirectly by contributing such payment to i3 Verticals, LLC for remittance to the Continuing Equity Owners) with respect to a redemption or exchange by that holder approximately 85% of the amount, if any, by which our U.S. federal and state income tax payments are reduced as a result of tax benefits attributable to the redemption or exchange by that holder for the period beginning with the remainder of the tax year in which the applicable redemption or exchange occurs and continuing for each succeeding tax year beginning on or before the _____ anniversary of the date of such redemption or exchange. See "Certain Relationships and Related Party Transactions."

The tax basis adjustments, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of any redemptions or exchanges between us and each holder, the amount and timing of our income and the amount and timing of the amortization and depreciation deductions and other tax benefits attributable to the tax basis adjustments. The payment obligations under the Tax Receivable Agreement are obligations of i3 Verticals, Inc., and we expect that the payments required under the Tax Receivable Agreement will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement, we expect that the reduction in tax payments for us associated with sales of the corresponding common units as described above would aggregate to approximately \$ _____ over _____ years from the date of this offering based on an initial public offering price of \$ _____ per share, and assuming all future sales would occur one year after this offering. Under such scenario, we would be required to pay the other parties to the Tax Receivable Agreement 85% of such amount, or \$ _____ over the _____-year period from the date of this offering. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us, and payments under the Tax Receivable Agreement by us, will be calculated using the market value of our Class A common stock at the time of the sale and the prevailing tax rates applicable to us over the life of the Tax Receivable Agreement and will be dependent on us generating sufficient future taxable income to realize the benefit.

We may not be able to realize all or a portion of the tax benefits that are expected to result from future redemptions or exchanges of common units by holders.

Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Continuing Equity Owners that will not benefit the holders of our Class A common stock to the same extent as it will benefit the Continuing Equity Owners. Under the Tax Receivable Agreement, we are entitled to retain (a) 15% of the U.S. federal and state income tax savings we realize as a result of increases in tax basis created by any future redemptions or exchanges of common units held by our equity holders that are parties to the Tax Receivable Agreement for shares of our Class A common stock or cash for the tax years following a redemption or exchange covered by the Tax Receivable Agreement, and (b) all of the U.S. federal and state income tax savings we realize from such redemptions or exchanges for tax periods ending after those covered by the Tax Receivable Agreement. Our ability to realize, and benefit from, these tax savings depends on several assumptions, including that we will earn sufficient taxable income each year during the period over which the deductions arising from any such basis increases and payments are available and that there are no adverse changes in applicable law or regulations. If our actual taxable income were insufficient or there were adverse

changes in applicable law or regulations, we may be unable to realize all or a portion of these expected benefits, and our cash flows and stockholders' equity could be negatively affected.

In certain cases, payments under the Tax Receivable Agreement to the Continuing Equity Owners may be accelerated or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement.

The Tax Receivable Agreement provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control or if, at any time, we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement to make payments thereunder would be based on certain assumptions, including an assumption that we would have sufficient taxable income to fully use all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result of the foregoing, (a) we could be required to make payments under the Tax Receivable Agreement that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement and (b) if we elect to terminate the Tax Receivable Agreement early, we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to fund or finance our obligations under the Tax Receivable Agreement.

In certain circumstances, i3 Verticals, LLC will be required to make distributions to us and the Continuing Equity Owners, and the distributions that i3 Verticals, LLC will be required to make may be substantial.

Funds used by i3 Verticals, LLC to satisfy its tax distribution obligations will not be available for reinvestment in our business. Moreover, the tax distributions that i3 Verticals, LLC will be required to make may be substantial, and will likely exceed (as a percentage of i3 Verticals, LLC's net income) the overall effective tax rate applicable to a similarly situated corporate taxpayer.

As a result of potential differences in the amount of net taxable income allocable to us and to the Continuing Equity Owners, as well as the use of an assumed tax rate in calculating i3 Verticals, LLC's distribution obligations, we may receive distributions significantly in excess of our tax liabilities and obligations to make payments under the Tax Receivable Agreement. To the extent, as currently expected, we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to i3 Verticals, LLC, the Continuing Equity Owners would benefit from any value attributable to such accumulated cash balances as a result of their ownership of Class A common stock following a redemption or exchange of their common units.

We will not be reimbursed for any payments made to the Continuing Equity Owners under the Tax Receivable Agreement if any tax benefits are disallowed.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, and the Internal Revenue Service (the "IRS") or another tax authority may challenge all or part of the tax basis increases, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any such challenge would reasonably be expected to materially affect a recipient's payments under the Tax Receivable Agreement, then we will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each Continuing Equity Owner that directly or indirectly owns at least % of the outstanding i3 Verticals, LLC interests. We will not be reimbursed for any cash payments previously made to the Continuing Equity Owners under the Tax Receivable Agreement if any tax benefits we initially claimed and for which we made a payment to a Continuing Equity Owner are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments we make to a Continuing Equity Owner will be netted against any future cash payments that we might otherwise be required to make to such Continuing Equity Owner under the terms of the Tax Receivable Agreement. However, we might not

determine that we have effectively made an excess cash payment to a Continuing Equity Owner for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. As a result, we could make payments under the Tax Receivable Agreement in excess of the tax savings that we realize in respect of the tax attributes with respect to the Continuing Equity Owners that are the subject of the Tax Receivable Agreement.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act and Nasdaq rules. The requirements of these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. As a publicly-traded company, we will be required to develop and implement substantial control systems, policies and procedures to satisfy requirements applicable to public companies, including periodic reporting with the Securities and Exchange Commission ("SEC") and Nasdaq obligations. We cannot assure you that management's past experience will be sufficient to successfully develop and implement these systems, policies and procedures and to operate our company and execute our business strategy. Failure to do so, either as a result of our inability to effectively manage our business in a public company environment or of any other reason, could jeopardize our status as a public company, and the loss of such status may materially and adversely affect us and our stockholders. In addition, failure to comply with any laws or regulations applicable to us as a public company may result in legal proceedings and/or regulatory investigations, and may cause reputational damage.

We expect to incur significant additional annual expenses related to these steps associated with, among other things, director fees, reporting requirements, transfer agent fees, additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses. We also expect that the new rules and regulations to which we will be subject as a result of being a public company will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage for such directors and officers. Any of these factors could make it more difficult for us to attract and retain qualified members of our Board of Directors.

Our internal control over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business, financial condition, results of operations and reputation.

Prior to the completion of this offering, we are not required to comply with SEC rules that implement Section 404 of the Sarbanes-Oxley Act, and we are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon completion of this offering, we will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to conduct an annual review and evaluation of our internal control and furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting each fiscal year beginning with the year following our first annual report required to be filed with the SEC. However, because we will be an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that will need to be evaluated frequently. Establishing these internal controls will be costly and may divert management's attention.

When evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the

requirements of Section 404 of the Sarbanes-Oxley Act. In addition, if we fail to achieve and maintain the adequacy of our internal control, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude, on an ongoing basis, that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, we may be subject to sanctions or investigation by regulatory authorities, such as the SEC, or suffer other adverse regulatory consequences, including violation of Nasdaq rules. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. A loss of confidence in the reliability of our financial statements also could occur if we or our independent registered public accounting firm were to report a material weakness in our internal control over financial reporting. In addition, we may be required to incur costs in improving our internal control system, including the costs of the hiring of additional personnel. Any such action could negatively affect our business, financial condition, results of operations and cash flows and could also lead to a decline in the price of our Class A common stock.

Certain provisions of Delaware law and anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of Delaware law and our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer, or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions will provide for, among other things:

- prohibiting the use of cumulative voting for the election of directors;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; and
- certain limitations on convening special stockholder meetings.

In addition, while we expect to opt out of Section 203 of the Delaware General Corporation Law, or the "DGCL," our amended and restated certificate of incorporation will contain similar provisions providing that we may not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our Board of Directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the votes of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our Board of Directors and by the affirmative vote of holders of at least 66 2/3% of the votes of our outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of the votes of our outstanding voting stock. For purposes of this provision, "voting stock" means any class or series of stock entitled to vote generally in the election of directors.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with our company for a three-year period. This provision may encourage companies interested in acquiring our company to negotiate in advance with our Board of Directors because the stockholder approval requirement would be avoided if our Board of Directors approves either the

business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board of Directors and may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

These provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage, delay or prevent a transaction involving a change in control of our company that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our Class A common stock if they are viewed as discouraging future takeover attempts. These provisions could also make it more difficult for stockholders to nominate directors for election to our Board of Directors and take other corporate actions.

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock.

Our amended and restated certificate of incorporation will authorize us to issue one or more series of preferred stock. Our Board of Directors will have the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for our Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

Risks Related to this Offering and Ownership of Our Class A Common Stock

Immediately following the consummation of this offering, the Continuing Equity Owners will own common units in i3 Verticals, LLC, and the Continuing Equity Owners will have the right to redeem their common units in i3 Verticals, LLC pursuant to the terms of the i3 Verticals LLC Agreement for shares of Class A common stock or cash.

After this offering, we will have an aggregate of _____ shares of Class A common stock authorized but unissued (or _____ if the underwriters exercise their overallotment option in full), including approximately _____ shares of Class A common stock issuable, at our election, upon redemption of i3 Verticals, LLC common units that will be held by the Continuing Equity Owners. i3 Verticals, LLC will enter into the i3 Verticals LLC Agreement, and subject to certain restrictions in that agreement and as described elsewhere in this prospectus, the Continuing Equity Owners will be entitled to have their common units redeemed from time to time at each of their options (subject in certain circumstances to time-based and service-based vesting requirements and limitations on the common units that will be converted from Class P units in connection with the Reorganization Transactions) for, at our election, newly-issued shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case, in accordance with the terms of the i3 Verticals LLC Agreement. At our election, however, we may effect a direct exchange by i3 Verticals, Inc. of such Class A common stock or such cash, as applicable, for such common units in lieu of redemption. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. See "Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement." We also intend to enter into a Registration Rights Agreement pursuant to which the shares of Class A common stock issued to certain Continuing Equity Owners upon such redemption and the shares of Class A common stock issued to certain Continuing Equity Owners in connection with the Reorganization Transactions will be eligible for resale registration, subject to certain limitations set forth in the Registration Rights Agreement. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

We cannot predict the size of future issuances of our Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock may have on the market price of our Class A common stock. Sales or distributions of substantial amounts of our Class A common stock, including shares issued in connection with an acquisition, or the perception that such sales or distributions could occur, may cause the market price of our Class A common stock to decline.

You may be diluted by future issuances of preferred stock or additional Class A common stock or common units in connection with our incentive plans, acquisitions or otherwise; future sales of such shares in the public market, or the expectations that such sales may occur, could lower our stock price.

Our amended and restated certificate of incorporation will authorize us to issue shares of our Class A common stock and options, rights, warrants and appreciation rights relating to our Class A common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion. We could issue a significant number of shares of Class A common stock in the future in connection with investments or acquisitions. Any of these issuances could dilute our existing stockholders, and such dilution could be significant. Moreover, such dilution could have a material adverse effect on the market price for the shares of our Class A common stock.

The future issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of shares of our Class A common stock, either by diluting the voting power of our Class A common stock if the preferred stock votes together with the common stock as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote, even if the action were approved by the holders of our shares of our Class A common stock.

The future issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our Class A common stock by making an investment in the Class A common stock less attractive. For example, investors in the Class A common stock may not wish to purchase Class A common stock at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase Class A common stock at the lower conversion price, causing economic dilution to the holders of Class A common stock.

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of Class A common stock issued or issuable under our stock plans. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market following the expiration of the applicable lock-up period. We expect that the initial registration statement on Form S-8 will cover shares of our Class A common stock.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our Class A common stock to drop significantly, even if our business is doing well.

We and our officers and directors, subject to certain exceptions, will agree that, without the prior written consent of Cowen and Company, LLC and Raymond James & Associates, Inc., the representatives of the underwriters (the "Representatives"), on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus: (1) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any shares of Class A common stock or any securities convertible into, exchangeable for or that represent the right to receive shares of Class A common stock; (2) file any registration statement with the SEC relating to the offering of any shares of Class A common stock or any securities convertible into or exercisable or exchangeable for Class A common stock; or (3) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of Class A common stock, subject to certain exceptions. The Representatives, in their sole discretion, may release the Class A common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. See "Underwriting."

The market price of our Class A common stock may decline significantly when the restrictions on resale by our existing stockholders lapse. A decline in the market price of our Class A common stock might impede our ability to raise capital through the issuance of additional shares of Class A common stock or other equity securities.

Sales of shares of our Class A common stock in connection with the Registration Rights Agreement, or the prospect of any such sales, could materially affect the market price of our Class A common stock and could impair our ability to raise capital through future sales of equity securities.

In connection with the completion of this offering, we intend to enter into a Registration Rights Agreement with certain Continuing Equity Owners. Any sales in connection with the Registration Rights Agreement, or the prospect of any such sales, could materially impact the market price of our Class A common stock and could impair our ability to raise capital through future sales of equity securities. For a further description of our Registration Rights Agreement, see “Certain Relationships and Related Party Transactions—Registration Rights Agreement.”

See “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling shares of our Class A common stock after this offering.

In the future, we may also issue additional securities if we need to raise capital, including, but not limited to, in connection with acquisitions, which could constitute a material portion of our then-outstanding shares of Class A common stock.

We do not anticipate paying any cash dividends on our Class A common stock in the foreseeable future.

We currently intend to retain our future earnings, if any, for the foreseeable future, to repay indebtedness and to fund the development and growth of our business. We do not intend to pay any dividends to holders of our Class A common stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors taking into account various factors, including our business, operating results and financial condition, current and anticipated cash needs, plans for expansion, any legal or contractual limitations on our ability to pay dividends under our Senior Secured Credit Facility or otherwise. As a result, if our Board of Directors does not declare and pay dividends, the capital appreciation in the price of our Class A common stock, if any, will be your only source of gain on an investment in our Class A common stock, and you may have to sell some or all of your Class A common stock to generate cash flow from your investment.

In addition, even if we decide in the future to pay any dividends, we are a holding company with no independent operations of our own, and we will depend on distributions from i3 Verticals, LLC to pay taxes, make payments under the Tax Receivable Agreement or pay any cash dividends on our Class A common stock. Deterioration in the financial conditions, earnings or cash flow of i3 Verticals, LLC and its subsidiaries for any reason could limit or impair its ability to pay cash distributions or other distributions to us, thereby rendering us unable to pay dividends.

An active market for our Class A common stock may not develop.

Before this offering, there has not been a public market for our Class A common stock. We cannot assure you that a regular trading market of our Class A common stock will develop on the Nasdaq Global Select Market or elsewhere or, if developed, that any such trading market will be sustained or how liquid such trading market will become. If an active trading market does not develop, you may have difficulty selling any shares of our Class A common stock that you purchase. The initial public offering price for the shares of our Class A common stock will be determined by negotiations between us and the Representatives and may not be indicative of prices that will prevail in the open market following this offering. The market price of shares of our Class A common stock may decline below the initial public offering price, and you may not be able to resell your shares of our Class A common stock at or above the initial public offering price. Accordingly, we cannot assure you of your ability to sell your Class A common stock when desired, or at all, or the prices that you may obtain for such Class A common stock.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our Class A common stock, its trading price and volume could decline.

We expect the trading market for our Class A common stock to be influenced by the research and reports that industry or securities analysts publish about us, our business or our industry. As a new public company, we do not

currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our stock may be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline and our Class A common stock to be less liquid. Moreover, if one or more of the analysts who cover us downgrades our stock or publishes inaccurate or unfavorable research about our business, or if our results of operations do not meet their expectations, our stock price could decline.

Our stock price could be extremely volatile and may decline substantially from the initial public offering price. As a result, you may not be able to resell your shares at or above the price you paid for them.

Even if a trading market develops, the market price of our Class A common stock may be highly volatile and could be subject to wide fluctuations. Volatility in the market price of our Class A common stock, as well as general economic, market or political conditions, may prevent you from being able to sell your shares at or above the price you paid for your shares and may otherwise negatively affect the liquidity of our Class A common stock. You may experience a decrease, which could be substantial, in the value of your stock, including decreases unrelated to our operating performance or prospects, and you could lose part or all of your investment. The price of our Class A common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this prospectus and others such as:

- our ability to generate revenues sufficient to maintain profitability and positive cash flow;
- competition in our industry and our ability to compete effectively;
- our dependence on non-exclusive distribution partners to market our products and services;
- our ability to keep pace with rapid developments and changes in our industry and provide new products and services;
- liability and reputation damage from unauthorized disclosure, destruction or modification of data or disruption of our services;
- technical, operational and regulatory risks related to our information technology systems and third-party providers' systems;
- reliance on third parties for significant services;
- exposure to economic conditions and political risks affecting consumer and commercial spending, including the use of credit cards;
- our ability to increase our existing vertical markets, expand into new vertical markets and execute our growth strategy;
- our ability to successfully complete acquisitions and effectively integrate those acquisitions into our services;
- degradation of the quality of our products, services and support;
- our ability to retain clients, many of which are SMBs, which can be difficult and costly to retain;
- our ability to successfully manage our intellectual property;
- our ability to attract, recruit, retain and develop key personnel and qualified employees;
- risks related to laws, regulations and industry standards;
- our indebtedness and potential increases in our indebtedness;
- operating and financial restrictions imposed by our Senior Secured Credit Facility; and
- the other factors described in "Risk Factors."

In response to any one or more of these events, the market price of shares of our Class A common stock could decrease significantly. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

Taking advantage of the reduced disclosure requirements applicable to “emerging growth companies” may make our Class A common stock less attractive to investors.

We qualify as an “emerging growth company” as defined in the JOBS Act. An emerging growth company may take advantage of certain reduced reporting and other requirements that are otherwise generally applicable to public companies, as described above. We currently intend to take advantage of each of these exemptions. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make a comparison of our financial statements with the financial statements of a public company that is not an emerging growth company, or the financial statements of an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used. We could be an emerging growth company until the last day of the fiscal year following the fifth anniversary of this offering. We cannot predict if investors will find our Class A common stock less attractive if we elect to rely on these exemptions, or if taking advantage of these exemptions would result in less active trading or more volatility in the price of our Class A common stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements." All statements other than statements of historical facts contained in this prospectus may be forward-looking statements. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "pro forma," "continues," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will," "would" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this prospectus, including in our unaudited pro forma consolidated financial statements, and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, future acquisitions and the industries in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the "Risk Factors" section of this prospectus, which include, but are not limited to, the following:

- our ability to generate revenues sufficient to maintain profitability and positive cash flow;
- competition in our industry and our ability to compete effectively;
- our dependence on non-exclusive distribution partners to market our products and services;
- our ability to keep pace with rapid developments and changes in our industry and provide new products and services;
- liability and reputation damage from unauthorized disclosure, destruction or modification of data or disruption of our services;
- technical, operational and regulatory risks related to our information technology systems and third-party providers' systems;
- reliance on third parties for significant services;
- exposure to economic conditions and political risks affecting consumer and commercial spending, including the use of credit cards;
- our ability to increase our existing vertical markets, expand into new vertical markets and execute our growth strategy;
- our ability to successfully complete acquisitions and effectively integrate those acquisitions into our services;
- degradation of the quality of our products, services and support;
- our ability to retain clients, many of which are SMBs, which can be difficult and costly to retain;
- our ability to successfully manage our intellectual property;
- our ability to attract, recruit, retain and develop key personnel and qualified employees;
- risks related to laws, regulations and industry standards;
- our indebtedness and potential increases in our indebtedness;
- operating and financial restrictions imposed by our Senior Secured Credit Facility; and
- the other factors described in "Risk Factors."

Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this prospectus.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry developments may differ materially from statements made in or suggested by the forward-looking statements contained in this prospectus. The matters summarized under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus could cause our actual results to differ significantly from those contained in our forward-looking statements. In addition, even if our results of operations, financial condition and liquidity, and industry developments are consistent with the forward-looking

statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

In light of these risks and uncertainties, we caution you not to place undue reliance on these forward-looking statements. Any forward-looking statement that we make in this prospectus speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments, except as required by applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

OUR ORGANIZATIONAL STRUCTURE

i3 Verticals, Inc., a Delaware corporation, was formed on January 17, 2018 to serve as the issuer of the Class A common stock offered by this prospectus. Before this offering, we conducted all of our business operations through i3 Verticals, LLC and its subsidiaries. We will consummate the Reorganization Transactions (excluding this offering) on or before the consummation of this offering.

Existing Organization

i3 Verticals, LLC is treated as a partnership for U.S. federal income tax purposes and, as such, is generally not subject to any U.S. federal entity-level income taxes. Taxable income or loss of i3 Verticals, LLC is included in the U.S. federal income tax returns of the members of i3 Verticals, LLC. Prior to the consummation of this offering, the Original Equity Owners were the only members of i3 Verticals, LLC, and included certain of our current and former executive officers, employees and directors.

Reorganization Transactions

We will consummate the following reorganizational transactions in connection with this offering:

- We will amend and restate the existing limited liability company agreement of i3 Verticals, LLC to, among other things, (1) convert all existing Class A units, common units (including common units issued upon the exercise of existing warrants held by the existing Warrant Holders) and Class P units of ownership interest in i3 Verticals, LLC into either Class A voting common units of i3 Verticals, LLC or Class B non-voting common units of i3 Verticals, LLC, and (2) appoint i3 Verticals, Inc. as the sole managing member of i3 Verticals, LLC upon its acquisition of common units in connection with this offering.
- We will amend and restate i3 Verticals, Inc.'s certificate of incorporation to provide for, among other things, Class A common stock and Class B common stock. Each share of Class A common stock and Class B common stock will entitle its holder to one vote on all matters to be voted on by stockholders. Shares of our Class B common stock, however, may be held only by the Continuing Equity Owners and their permitted transferees in proportion to the number of outstanding common units of i3 Verticals, LLC they hold as described in "Description of Capital Stock—Class B Common Stock." Class B common stock has no economic rights.
- Immediately following the Initial Recapitalization, we will consummate a merger by and among i3 Verticals, LLC, i3 Verticals, Inc. and MergerSub whereby: (1) MergerSub will merge with and into i3 Verticals, LLC, with i3 Verticals, LLC as the surviving entity; (2) Class A voting common units will be converted into newly issued common units in i3 Verticals, LLC together with an equal number of shares of Class B common stock of i3 Verticals, Inc., and (3) Class B common units will be converted into Class A common stock of i3 Verticals, Inc.
- We will issue shares of our Class A common stock pursuant to a voluntary private conversion of Junior Subordinated Notes by certain related and unrelated creditors of i3 Verticals, LLC. In this conversion, certain eligible holders of Junior Subordinated Notes have elected to convert approximately \$ in aggregate indebtedness into Class A common stock.
- We will issue shares of our Class A common stock to the purchasers in this offering (or shares if the underwriters exercise their overallotment option in full) in exchange for net proceeds of approximately \$ million (or approximately \$ million if the underwriters exercise the overallotment option in full).
- We will use all of the net proceeds from this offering to purchase (1) newly issued common units (or common units if the underwriters exercise their overallotment option in full) directly from i3 Verticals, LLC at a price per unit equal to the initial public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions, and (2) common units directly from certain of the Continuing Equity Owners at the initial public offering price of Class A common stock in this offering less underwriting discounts and commissions. We will own % of i3 Verticals, LLC's outstanding common units following this offering (or % if the underwriters exercise their overallotment option in full).
- i3 Verticals, LLC intends to use the net proceeds from the sale of common units to i3 Verticals, Inc. to repay as described under "Use of Proceeds" a total of approximately \$ in outstanding debt

under (a) the Junior Subordinated Notes, (b) the Mezzanine Notes and (c) the Senior Secured Credit Facility. i3 Verticals, LLC intends to repay the Junior Subordinated Notes and the Mezzanine Notes in full.

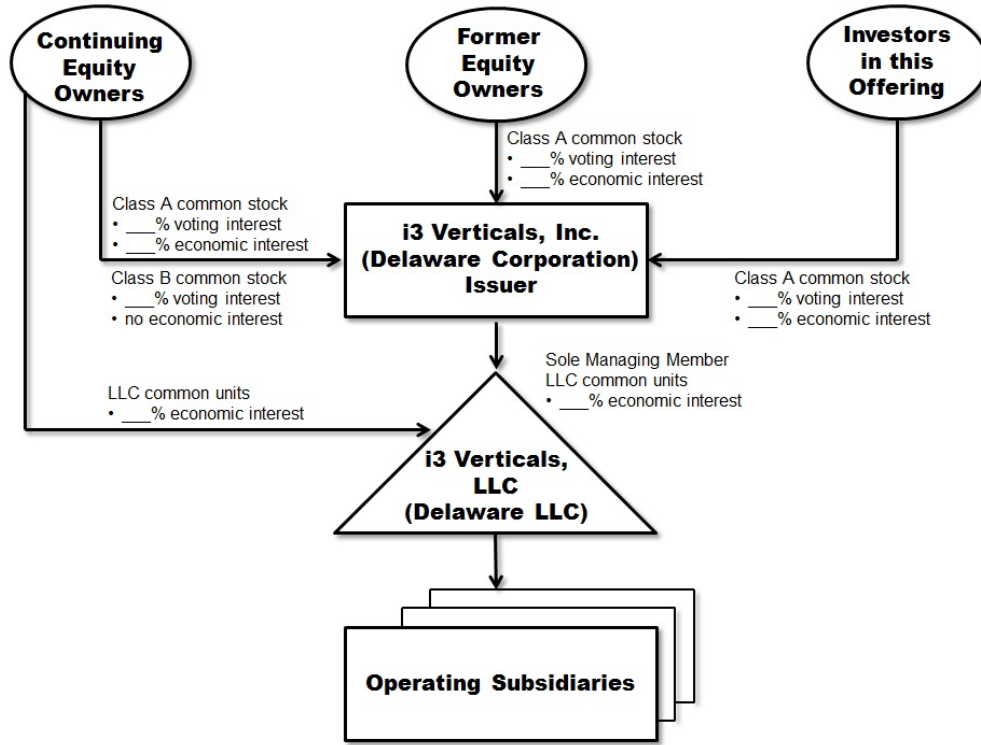
- i3 Verticals, Inc. will enter into (1) the Tax Receivable Agreement with i3 Verticals, LLC and each of the Continuing Equity Owners and (2) the Registration Rights Agreement with certain Continuing Equity Owners. For a description of the terms of the Tax Receivable Agreement and the Registration Rights Agreement, see "Certain Relationships and Related Party Transactions."
- The Former Equity Owners (1) will own _____ shares of Class A common stock of i3 Verticals, Inc., representing approximately _____ % of the combined voting power of all of the common stock of i3 Verticals, Inc. and approximately _____ % of the economic interest in i3 Verticals, Inc. (or approximately _____ % of the combined voting power and approximately _____ % of the economic interest if the underwriters exercise their overallotment option in full), and (2) through i3 Verticals, Inc.'s ownership of i3 Verticals, LLC's common units, indirectly will hold approximately _____ % of the economic interest in i3 Verticals, LLC.

We collectively refer to the foregoing organizational transactions as the "Reorganization Transactions."

Organizational Structure Following this Offering

- i3 Verticals, Inc. will be a holding company and its principal asset will consist of common units it purchased from i3 Verticals, LLC and certain of the Continuing Equity Owners and common units it acquired from the Former Equity Owners.
- i3 Verticals, Inc. will be the sole managing member of i3 Verticals, LLC and will control the business and affairs of i3 Verticals, LLC and its subsidiaries. We will have a board of directors and executive officers, but will have no employees. The functions of all of our employees are expected to reside at i3 Verticals, LLC or its subsidiaries.
- i3 Verticals, Inc. will own, directly or indirectly, _____ common units of i3 Verticals, LLC, representing approximately _____ % of the economic interest in i3 Verticals, LLC (or _____ common units, representing approximately _____ % of the economic interest in i3 Verticals, LLC, if the underwriters exercise their overallotment option in full).
- The purchasers in this offering:
 - will own _____ shares of Class A common stock of i3 Verticals, Inc. (or _____ shares of Class A common stock of i3 Verticals, Inc. if the underwriters exercise their overallotment option in full), representing approximately _____ % of the economic interest in i3 Verticals, Inc. and approximately _____ % of the combined voting power of all of the common stock of i3 Verticals, Inc. (or approximately _____ % of the economic interest and approximately _____ % of the combined voting power if the underwriters exercise their overallotment option in full), and
 - will indirectly hold approximately _____ % of the economic interest in i3 Verticals, LLC (or approximately _____ % if the underwriters exercise their overallotment option in full).
- The Continuing Equity Owners:
 - will own _____ common units of i3 Verticals, LLC, representing approximately _____ % of the economic interest in i3 Verticals, LLC (or approximately _____ % of the economic interest in i3 Verticals, LLC if the underwriters exercise their overallotment option in full), and
 - will own _____ shares of Class B common stock of i3 Verticals, Inc., representing approximately _____ % of the combined voting power of all of the common stock of i3 Verticals, Inc. (or approximately _____ % if the underwriters exercise their overallotment option in full).
- The Former Equity Owners:
 - will own _____ shares of Class A common stock of i3 Verticals, Inc., representing approximately _____ % of the economic interest in i3 Verticals, Inc. and approximately _____ % of the combined voting power of all of the common stock of i3 Verticals, Inc. (or approximately _____ % of the economic interest and approximately _____ % of the combined voting power if the underwriters exercise their overallotment option in full), and
 - will indirectly hold approximately _____ % of the economic interest of i3 Verticals, LLC through i3 Verticals, Inc.'s ownership of i3 Verticals, LLC's common units.

The diagram below depicts our organizational structure after giving effect to the Reorganization Transactions, including this offering, assuming no exercise by the underwriters of their overallotment option.



As the sole managing member of i3 Verticals, LLC, we will operate and control all of the business and affairs of i3 Verticals, LLC and, through i3 Verticals, LLC and its subsidiaries, conduct the business. Following the Reorganization Transactions, including this offering, we will record a significant non-controlling interest in our consolidated subsidiary, i3 Verticals, LLC relating to the ownership interest of the Continuing Equity Owners. Accordingly, i3 Verticals, Inc. will hold ___% of the economic interest in i3 Verticals, LLC, and will control the management of i3 Verticals, LLC as the sole managing member. As a result, i3 Verticals, Inc. will consolidate i3 Verticals, LLC and record a non-controlling interest in consolidated entity for the economic interest in i3 Verticals, LLC held by the Continuing Equity Owners.

Incorporation of i3 Verticals, Inc.

i3 Verticals, Inc., the issuer of the Class A common stock offered by this prospectus, was incorporated as a Delaware corporation on January 17, 2018. i3 Verticals, Inc. has not engaged in any material business or other activities except in connection with its formation. The amended and restated certificate of incorporation of i3 Verticals, Inc. that will become effective immediately before the consummation of this offering will authorize two classes of common stock, Class A common stock and Class B common stock, each having the terms described in "Description of Capital Stock."

Reclassification and Amendment and Restatement of the i3 Verticals LLC Agreement

Prior to or substantially concurrently with the consummation of this offering, the existing limited liability company agreement of i3 Verticals, LLC will be amended and restated to, among other things, modify its capital structure by creating a single new class of units that we refer to as "common units" and providing for a right of

redemption of common units (subject in certain circumstances to time-based and service-based vesting requirements) in exchange for, at our election, shares of our Class A common stock or cash. See "Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement."

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$ million, or approximately \$ million if the underwriters exercise their overallotment option in full, assuming an initial public offering price of \$ per share (which is the midpoint of the range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay.

We intend to use the net proceeds of this offering to purchase (1) common units (or common units if the underwriters exercise their overallotment option in full) directly from i3 Verticals, LLC at a price per common unit equal to the price paid by the underwriters for shares of our Class A common stock in this offering, and (2) common units (or common units if the underwriters exercise their overallotment option in full) from certain of the Continuing Equity Owners at a price per common unit equal to the price paid by the underwriters for shares of our Class A common stock in this offering.

i3 Verticals, LLC intends to use the \$ million in net proceeds it receives from the sale of common units to i3 Verticals, Inc. (together with any additional proceeds it may receive if the underwriters exercise their overallotment option) as follows:

- to repay the Mezzanine Notes in full;
- to repay the outstanding Junior Subordinated Notes in full; and
- to repay approximately \$ million of the revolving loan of our Senior Secured Credit Facility.

As of 2018, we owed \$ under the Mezzanine Notes, which bear a fixed interest rate of 12.0% per annum and mature on November 29, 2020. We used the proceeds from the issuance of the Mezzanine Notes to fund certain of our acquisitions and for working capital. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

As of 2018, we owed \$ under the Junior Subordinated Notes, which bear a fixed interest rate of 10.0% per annum and mature on the later of (a) February 14, 2019, or (b) the maturity date of the later to mature of (i) the Mezzanine Notes and (ii) the Senior Secured Credit Facility. We used the proceeds from the issuance of the Junior Subordinated Notes to fund an acquisition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

As of 2018, under our Senior Secured Credit Facility, we owed \$ million under our term loan and \$ million under our revolving loan. Our Senior Secured Credit Facility matures on the earlier of October 30, 2022 or 181 days before the maturity date of the Mezzanine Notes. As of , 2018, the interest rate on the borrowings outstanding under our term loan was % per annum and under our revolving loan was % per annum. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

As a result of the repayment of all indebtedness outstanding under the Junior Subordinated Notes and the Mezzanine Notes, our affiliates will receive approximately \$ million of the net proceeds from this offering, based on amounts outstanding under the Junior Subordinated Notes and the Mezzanine Notes, in each case as of , 2018. See "Certain Relationships and Related Party Transactions."

Assuming no exercise of the underwriters' overallotment option, each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share (which is the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by approximately \$ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay.

Each 1,000,000 share increase (decrease) in the number of shares offered in this offering would increase (decrease) the net proceeds to us from this offering by approximately \$ million, assuming no change in the assumed initial public offering price per share, which is the midpoint of the price range set forth on the front cover

of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay.

DIVIDEND POLICY

We currently anticipate that we will retain all available funds for use in the operation and expansion of our business and to repay indebtedness, and we do not anticipate paying any cash dividends on our Class A common stock in the foreseeable future. To the extent that we elect to pay dividends in the future, Class B common stock will not be entitled to any dividend payments. Additionally, our ability to pay any cash dividends on our Class A common stock is limited by restrictions on the ability of i3 Verticals, LLC and our other subsidiaries to pay dividends or make distributions under the terms of our Senior Secured Credit Facility. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Senior Secured Credit Facility.”

We are a holding company and our principal asset immediately following this offering will be our membership interest in i3 Verticals, LLC. We will be the sole managing member of i3 Verticals, LLC and intend to cause i3 Verticals, LLC to make distributions to us in an amount sufficient to cover cash dividends, if any, our Board of Directors declares in the future. If i3 Verticals, LLC makes those distributions to us, the other members of i3 Verticals, LLC will be entitled to receive proportionately equivalent distributions.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization as of March 31, 2018 of:

- i3 Verticals, LLC and its subsidiaries on an actual basis;
- i3 Verticals, Inc. and its subsidiaries on a pro forma basis after giving effect to the Reorganization Transactions, excluding this offering; and
- i3 Verticals, Inc. and its subsidiaries on a pro forma basis after giving effect to the Reorganization Transactions, and further adjusted to include the sale of shares of Class A common stock in this offering at an assumed initial public offering price of \$ per share (which is the midpoint of the range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay, and the application of the net proceeds from this offering as described under "Use of Proceeds."

This table should be read in conjunction with "Our Organizational Structure," "Use of Proceeds," "Unaudited Pro Forma Consolidated Financial Information," "Selected Historical Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes thereto appearing elsewhere in this prospectus.

	As of March 31, 2018		
	i3 Verticals, LLC Actual	Pro Forma i3 Verticals, Inc. (unaudited) (amounts in thousands)	Pro Forma As Adjusted i3 Verticals, Inc. ⁽²⁾
Cash and cash equivalents	\$ 755	\$	\$
Debt, including current portion			
Senior Secured Credit Facility	108,250		
Mezzanine Notes	10,500		
Junior Subordinated Notes	16,108		
Debt issuance costs	(2,072)		
Total long term debt, including current portion	132,786		
Redeemable Class A Units; 4,900 Units authorized, issued and outstanding	8,101		
Total members'/stockholders' equity:			
Members' equity (deficit)			
Class A units, 13,892 units authorized, issued and outstanding	36,596		
Common units, 4,606 units authorized, 1,749 units issued and outstanding	1,344		
Class P units, 8,256 units authorized, issued and outstanding	—		
Stockholders' equity (deficit)			
Class A common stock, par value \$0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—		
Class B common stock, par value \$0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—		
Additional paid-in capital	—		
Accumulated deficit	(42,235)		
Total members'/stockholders' deficit	(4,295)		
Non-controlling interest ⁽¹⁾	—		
Total capitalization	\$ 136,592		

(1) On a pro forma basis and a pro forma as adjusted basis, includes the ownership interests not owned by i3 Verticals, Inc., which represents % and % of the outstanding common units of i3 Verticals, LLC, respectively. The Continuing Equity Owners will hold the % and % non-controlling interest in i3 Verticals, LLC on a pro forma and pro forma as adjusted basis, respectively.

(2) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share (which is the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease each of cash, additional paid-in capital, total members' / stockholders' equity and total capitalization on a pro forma as adjusted basis by approximately \$ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay.

DILUTION

The Continuing Equity Owners will own common units in i3 Verticals, LLC after the Reorganization Transactions. Because the Continuing Equity Owners do not own any Class A common stock or have any right to receive distributions from i3 Verticals, Inc., we have presented dilution in pro forma net tangible book value per share both before and after this offering assuming that all of the holders of common units (other than i3 Verticals, Inc.) had their common units redeemed or exchanged for newly-issued shares of Class A common stock on a one-for-one basis (rather than for cash) and the cancellation for no consideration of all of their shares of Class B common stock (which are not entitled to receive distributions or dividends, whether cash or stock from i3 Verticals, Inc.) in order to more meaningfully present the dilutive impact on the investors in this offering. We refer to the assumed redemption or exchange of all common units for shares of Class A common stock as described in the previous sentence as the "Assumed Redemption."

Dilution is the amount by which the offering price paid by the purchasers of the Class A common stock in this offering exceeds the pro forma net tangible book value per share of Class A common stock after the offering. i3 Verticals, LLC's pro forma net tangible book value as of March 31, 2018 prior to this offering and after the Assumed Redemption was \$. Pro forma net tangible book value per share prior to this offering is determined by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of Class A common stock deemed to be outstanding after giving effect to the Assumed Redemption.

If you invest in our Class A common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma net tangible book value per share of our Class A common stock after this offering.

Pro forma net tangible book value per share after this offering is determined by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of Class A common stock deemed to be outstanding, after giving effect to the Reorganization Transactions, including this offering and the application of the proceeds from this offering as described in "Use of Proceeds," and the Assumed Redemption. Our pro forma net tangible book value as of March 31, 2018 after this offering would have been approximately \$ million, or \$ per share of Class A common stock. This amount represents an immediate increase in pro forma net tangible book value of \$ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately \$ per share to new investors purchasing shares of Class A common stock in this offering. We determine dilution by subtracting the pro forma net tangible book value per share after this offering from the amount of cash that a new investor paid for a share of Class A common stock. The following table illustrates this dilution:

Assumed initial public offering price per share	\$
Pro forma net tangible book value per share as of March 31, 2018 after giving effect to the Reorganization Transactions	
Increase per share attributable to investors in this offering	
Pro forma net tangible book value per share after this offering	\$
Dilution per share to new Class A common stock investors	\$

If the underwriters exercise their overallotment option in full, the pro forma net tangible book value after the offering would be \$ per share, the increase in pro forma net tangible book value per share to existing stockholders would be \$ per share and the dilution in pro forma net tangible book value to new investors would be \$ per share, in each case assuming an initial public offering price of \$ per share, which is the midpoint of the price range listed on the cover page of this prospectus.

The following table sets forth, on a pro forma basis after giving pro forma effect to the Reorganization Transactions, as of March 31, 2018, the number of shares of Class A common stock purchased from us, the total consideration paid, or to be paid, and the average price per share paid, or to be paid, by existing owners and by the new investors, assuming all common units are redeemed or exchanged for an equal number of shares of Class A common stock pursuant to the i3 Verticals LLC Agreement, at an assumed initial public offering price of

\$ _____ per share, the midpoint of the range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and offering expenses that we expect to pay:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Original Equity Owners		%	\$	%	\$
New investors					
Total		100.0%	\$	100.0%	\$

The foregoing tables assume no exercise of the underwriters' overallotment option. If the underwriters exercise their overallotment option, there will be further dilution to new investors.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range listed on the cover page of this prospectus, would increase (decrease) the pro forma net tangible book value per share after this offering by approximately \$ _____, and dilution in pro forma net tangible book value per share to new investors by approximately \$ _____, assuming that the number of shares we offer, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay.

If the underwriters exercise their overallotment option to in full, our existing stockholders would own _____ shares, or _____%, in the aggregate, and our new investors would own _____ shares, or _____%, in the aggregate, of the total number of shares of our Class A common stock outstanding upon completion of this offering.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

We have derived the unaudited pro forma consolidated statement of operations for the year ended September 30, 2017 set forth below by the application of pro forma adjustments to the audited consolidated financial statements of i3 Verticals, LLC and subsidiaries included elsewhere in this prospectus. We have derived the unaudited pro forma condensed consolidated statement of operations for the six months ended March 31, 2018 and the unaudited pro forma condensed consolidated balance sheet as of March 31, 2018 set forth below by the application of pro forma adjustments to the unaudited condensed consolidated financial statements of i3 Verticals, LLC and subsidiaries included elsewhere in this prospectus.

The unaudited pro forma consolidated statement of operations for the year ended September 30, 2017 and for the six months ended March 31, 2018, and the unaudited pro forma consolidated balance sheet as of March 31, 2018, present our unaudited pro forma consolidated results of operations and financial position to give pro forma effect to all of the Reorganization Transactions (excluding this offering) described in "Our Organizational Structure," the sale of shares of Class A common stock in this offering (excluding shares issuable upon exercise of the underwriters' over-allotment option), and the application of the net proceeds by us and i3 Verticals, LLC from this offering and the other transactions described elsewhere in this section, as if all such transactions had been completed as of October 1, 2016 with respect to the unaudited pro forma consolidated statement of operations, and as of March 31, 2018, with respect to the unaudited pro forma consolidated balance sheet. The unaudited pro forma consolidated financial statements reflect pro forma adjustments that are described in the accompanying notes and are based on available information and certain assumptions we believe are reasonable, but are subject to change. We have made, in our opinion, all adjustments that are necessary to present fairly the pro forma financial information.

The pro forma adjustments principally give effect to the following items:

- the Reorganization Transactions (excluding this offering) described in "Our Organizational Structure";
- this offering and our payment of fees and expenses related to this offering and the use of a portion of the proceeds by i3 Verticals, LLC (from the sale of common units to us using the proceeds of this offering) to repay approximately \$ of the indebtedness outstanding under the Junior Subordinated Notes, the Mezzanine Notes and the Senior Secured Credit Facility as described under "Use of Proceeds";
- the purchase of all of the outstanding stock of San Diego Cash Register Company, Inc. ("SDCR, Inc.");
- the purchase of certain assets and assumed certain liabilities of Fairway Payments, LLC ("Fairway"); and
- a provision for federal, state and local income taxes of i3 Verticals, Inc. as a taxable corporation at an effective rate of:
 - 30.9% for the six months ended March 31, 2018, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates applied to income apportioned to each state and local jurisdiction, and is computed using the federal income tax rate in effect for the three months ended December 31, 2017 and the reduced federal income tax rate for the remaining nine months for the fiscal year ending September 30, 2018.
 - 39.6% for the year ended September 30, 2017, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates applied to income apportioned to each state and local jurisdiction, and is computed using the federal income tax rate in effect during the fiscal year.

The unaudited pro forma consolidated financial information presented assumes no exercise by the underwriters of their over-allotment option.

As described in greater detail under "Certain Relationships and Related Party Transactions—Tax Receivable Agreement," in connection with the closing of this offering, we will enter into the Tax Receivable Agreement with i3 Verticals, LLC and the Continuing Equity Owners. The Tax Receivable Agreement will require us to pay the Continuing Equity Owners 85% of the amount of tax benefits, if any, that i3 Verticals, Inc. actually realizes (or in some circumstances is deemed to realize) as a result of (1) increases in tax basis resulting from our purchase of common units of i3 Verticals, LLC directly from some of the Continuing Equity Owners in connection with any future redemptions we fund or exchanges of common units for our Class A common stock and (2) certain additional tax benefits attributable to payments under the Tax Receivable Agreement. Regarding clause (1) of the

preceding sentence, see “Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement—Agreement in Effect Upon Consummation of this Offering—Common Unit Redemption Right.” Due to the uncertainty in the amount and timing of future redemptions or exchanges of common units by the Continuing Equity Owners, the unaudited pro forma consolidated financial information assumes that no future redemptions or exchanges of common units have occurred other than as described in the “Use of Proceeds” section with respect to the intention to use the net proceeds of this offering to purchase common units from certain of the Continuing Equity Owners at a price per common unit equal to the price paid by the underwriters for shares of our Class A common stock in this offering.

As described in “Our Organizational Structure,” the unaudited pro forma consolidated financial statements reflect the acquisition of the equity interests in i3 Verticals, LLC and do not reflect a change in the recorded book basis of i3 Verticals, LLC, because those transactions are between entities under common control.

As a public company, we will implement additional procedures and processes to address the standards and requirements applicable to public companies. We expect to incur additional annual expenses related to, among other things, additional directors’ and officers’ liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses. We have not included any pro forma adjustments relating to these costs. i3 Verticals, Inc. was formed on January 17, 2018 and will have no material assets or results of operations until the completion of this offering and therefore its historical financial position and results of operations are not shown in a separate column in the unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial information is presented for informational purposes only and should not be considered indicative of actual results of operations that would have been achieved had the Reorganization Transactions, including this offering, been consummated on the dates indicated, and does not purport to be indicative of statements of financial condition data or results of operations as of any future date or for any future period. You should read our unaudited pro forma consolidated financial information and the accompanying notes in conjunction with all of the historical financial statements and related notes included elsewhere in this prospectus and the financial and other information appearing elsewhere in this prospectus, including information contained in “Risk Factors,” “Use of Proceeds,” “Capitalization,” “Selected Historical Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

i3 Verticals, Inc. and Subsidiaries
Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of March 31, 2018
(In thousands)

	Historical i3 Verticals, LLC (a)	Reorganization Transactions	As Adjusted Before Offering	Offering Adjustments	Pro Forma i3 Verticals, Inc.
Assets					
Current assets					
Cash and cash equivalents	\$ 755	\$	\$	\$	\$
Accounts receivable, net	8,672				
Settlement assets	439				
Prepaid expenses and other current assets	2,865				
Total current assets	12,731				
Property and equipment, net	2,136				
Restricted cash	664				
Capitalized software, net	3,486				
Goodwill	80,373				
Intangible assets, net	67,866				
Other assets	2,714				
Total assets	\$ 169,970	\$	\$	\$	\$
Liabilities and equity					
Liabilities					
Current liabilities					
Accounts payable	\$ 2,631	\$	\$	\$	\$
Current portion of long-term debt	5,000				
Accrued expenses and other current liabilities	14,387				
Settlement obligations	439				
Deferred revenue	2,927				
Current portion of Tax Receivable Agreement liability	—			(h)	
Total current liabilities	25,384				
Long-term debt, excluding current portion	127,786			(f)(g)	
Other long-term liabilities	12,994				
Tax Receivable Agreement liability, net of current portion	—			(h)	
Total liabilities	166,164				
Commitments and contingencies					
Redeemable Class A Units; 4,900 Units authorized, issued and outstanding	8,101		(b)		
Equity					
Members' equity (deficit)					
Class A Units; 13,892 Units authorized, issued and outstanding	36,596		(b)		
Common Units; 4,606 Units authorized; 1,749 Units issued and outstanding	1,344		(b)		
Class P Units; 8,256 Units authorized, issued and outstanding	—		(b)		
Class A voting common units	—		(b)(c)		
Class B non-voting common units	—		(b)(c)		
Stockholders' equity (deficit)					
Class A common stock, par value \$0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—		(c)		(e)(g)
Class B common stock, par value \$0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—		(c)		
Additional paid-in-capital	—		(c)		(e)(f)(h)
Accumulated equity (deficit)	(42,235)		(d)(f)		(d)(h)(i)
Members'/Stockholders' equity (deficit)	(4,295)				
Non-controlling interest	—		(d)		(d)
Total liabilities, Redeemable Class A Units and members'/stockholders' equity (deficit)	\$ 169,970	\$	\$	\$	\$

See accompanying Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

(a) i3 Verticals, Inc. was formed on January 17, 2018, and will have no material assets or results of operations until the completion of this offering and therefore its historical financial position is not shown in a separate column in this unaudited pro forma condensed consolidated balance sheet.

(b) In connection with the Reorganization Transactions, we will convert all existing Class A units, common units (including common units issued upon the exercise of existing warrants held by the existing Warrant Holders) and Class P units (profits interests) of ownership interest in i3 Verticals, LLC into either (i) Class A voting common units of i3 Verticals, LLC (such holders of Class A voting common units, the Continuing Equity Owners) or (ii) Class B non-voting common units of i3 Verticals, LLC (such holders of Class B non-voting common units, the Former Equity Owners) (collectively, the Initial Recapitalization).

The Company expects to record compensation expense of \$ million related to the modification of existing Class P units as part of the Reorganization Transactions. The compensation expense is excluded from the unaudited pro forma interim condensed consolidated statement of operations because it does not have a continuing impact, but it is reflected as a decrease in retained earnings on the unaudited pro forma condensed consolidated balance sheet.

(c) Immediately following the Initial Recapitalization and prior to this offering, we will consummate a merger by and among i3 Verticals, LLC, i3 Verticals, Inc. and a to-be-formed wholly-owned subsidiary of i3 Verticals, Inc. (MergerSub) whereby:

(1) MergerSub will merge with and into i3 Verticals, LLC, with i3 Verticals, LLC as the surviving entity.

(2) The Class A voting common units held by the Continuing Equity Holders will be converted into newly issued common units in i3 Verticals, LLC together with an equal number of shares of Class B common stock of i3 Verticals, Inc. Holders of our Class B common stock along with the holders of our Class A common stock will have certain voting rights as described under “Description of Capital Stock,” but holders of our Class B common stock will not be entitled to receive any distributions from or participate in any dividends declared by our Board of Directors.

(3) The Class B common units held by Former Equity Owners will be converted into _____ shares of Class A common stock of i3 Verticals, Inc.

(d) Upon completion of the Reorganization Transactions, we will become the sole managing member of i3 Verticals, LLC. As a result, we will consolidate the financial results of i3 Verticals, LLC and will report a non-controlling interest related to the Class B common stock held by the Continuing Equity Owners on our consolidated balance sheet. The computation of the non-controlling interest following the consummation of this offering is as follows:

	Units	Percentage
Interest in i3 Verticals, LLC by i3 Verticals, Inc.		
Non-controlling interest in i3 Verticals, LLC by Continuing Equity Owners		

If the underwriters were to exercise their option to purchase additional shares of our Class A common stock in full, i3 Verticals, Inc. would own _____ % of the common units of the i3 Verticals, LLC and the Continuing Equity Owners would own the remaining _____ % of the common units of i3 Verticals, LLC.

Following the consummation of this offering, the common units of i3 Verticals, LLC held by the Continuing Equity Owners will represent the non-controlling interest. Each Continuing Equity Owner may redeem at such Continuing Equity Owner’s option such owner’s common units for, at our election either (i) cash or (ii) newly-issued shares of our Class A common stock as described in “Certain Relationships and Related Party Transactions—i3 Verticals, LLC Agreement—Agreement in Effect Upon Consummation of this Offering.”

The Reorganization Transactions adjustments include adjustments to transfer pro forma i3 Verticals, LLC members’ deficit to accumulated deficit and report a non-controlling interest equal to the Continuing Equity Owners’ economic interest in i3 Verticals, LLC of _____ after giving effect to the Former Equity Owners’

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

conversion of their ownership interest in units of i3 Verticals, LLC for shares of Class A common stock of i3 Verticals, Inc. The following table describes such Reorganization Transactions adjustments (\$ in thousands):

Members' deficit at i3 Verticals, LLC	\$
Non-controlling interest in i3 Verticals, LLC by Continuing Equity Owners	
Members' deficit attributable to Continuing Equity Owners' non-controlling interest	<u>\$</u>

Offering adjustments include adjustments to report a non-controlling interest equal to the Continuing Equity Owners' economic interest in i3 Verticals, LLC of % , after giving effect to the issuance of shares of Class A common stock in this offering and the Former Equity Owners' conversion of their ownership interest in common units of i3 Verticals, LLC for shares of Class A common stock, based on the pro forma i3 Verticals, LLC members' deficit adjusted for the net proceeds received from the sale of common units to i3 Verticals, Inc., less offering expenses paid by i3 Verticals, LLC that are included in additional paid-in capital, and the loss on debt repayment.

Members' deficit at i3 Verticals, LLC	\$
Purchase of i3 Verticals, LLC common units with net proceeds of the offering	
Offering expenses paid by i3 Verticals, LLC	
i3 Verticals, LLC members' equity after the offering	
Non-controlling interest in i3 Verticals, LLC by Continuing Equity Owners	
Members' deficit attributable to Continuing Equity Owners non-controlling interest	
Less: Non-controlling interest related to the Reorganization Transactions	
Non-controlling interest — "Offering Adjustments" column	<u>\$</u>

(e) We estimate that the net proceeds from this offering will be approximately \$ million. This amount has been determined based on the assumption that the underwriters' option to purchase additional shares in our Class A common stock is not exercised. A reconciliation on the gross proceeds from this offering to the net proceeds is set forth below:

Assumed initial public offering price per share	\$
Shares of Class A common stock issued in this offering	
Gross proceeds	
Less: underwriting discounts and commissions	
Less: offering expenses	
Net proceeds	<u>\$</u>

(f) We will issue shares of our Class A common stock pursuant to a voluntary private conversion of Junior Subordinated Notes by certain related and unrelated creditors of i3 Verticals, LLC. In this conversion, certain eligible holders of Junior Subordinated Notes have elected to convert \$ in aggregate indebtedness into Class A common stock.

(g) i3 Verticals, LLC intends to use the \$ million in net proceeds it receives from the sale of common units to i3 Verticals, Inc. as follows:

- to repay the Mezzanine Notes in full in the amount of \$;
- to repay the outstanding Junior Subordinated Notes in full in the amount of \$; and
- to repay approximately \$ million of the outstanding borrowings under the revolving loan of our Senior Secured Credit Facility.

(h) We expect to obtain an increase in the tax basis of our share of the assets of i3 Verticals, LLC when common units are redeemed or exchanged by the Continuing Equity Owners. This increase in tax basis may have the

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

effect of reducing the amounts that we would otherwise pay in the future to various tax authorities. The increase in tax basis may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets. In connection with the consummation of this offering, we will enter into the Tax Receivable Agreement with i3 Verticals, LLC and each of the Continuing Equity Owners that will require us to pay to the Continuing Equity Owners 85% of the amount of tax benefits, if any, that we actually realize, or in some cases are deemed to realize, as a result of (i) increases in the tax basis of the assets of i3 Verticals, LLC resulting from the purchase of common units in exchange for Class A common stock in connection with the consummation of this offering and any future redemptions or exchanges of common units or any prior sales of interests in i3 Verticals, LLC and (ii) certain other tax benefits related to payments we make under the Tax Receivable Agreement. See “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.”

The net impact of the adjustments to net deferred taxes and the Tax Receivable Agreement liability of \$ _____ has been recorded as an increase to additional paid-in capital, as these adjustments arise from equity transactions of the Company.

The amounts to be recorded for both the net deferred tax assets and the liability for our obligations under the Tax Receivable Agreement have been estimated. All of the effects of changes to both the net deferred tax assets and our obligations under the Tax Receivable Agreement after the date of the purchase will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income.

(i) The reconciliation of i3 Verticals, LLC members’ deficit to i3 Verticals, Inc. accumulated deficit as of March 31, 2018 is as follows (\$ in thousands):

Accumulated deficit — “Reorganization Transactions” Column	
Members’ deficit at i3 Verticals, LLC	\$ _____
Non-controlling interest in i3 Verticals, LLC by Continuing Equity Owners	_____
Compensation expense recognized upon exercise of the outstanding Profit Units	_____
Retained earnings	_____
Accumulated deficit — “Offering Adjustments” Column	
Offset to the non-controlling interest	_____
(Accumulated deficit)/retained earnings — “Offering Adjustments” column	_____
Accumulated deficit, Historical i3 Verticals, LLC	_____
Total pro forma i3 Verticals, Inc. Retained Earnings	\$ _____

i3 Verticals, Inc. and Subsidiaries
Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations
For The Six Months Ended March 31, 2018
(In thousands, except per share data)

	Historical i3 Verticals, LLC (a)	Historical SDCR, Inc. (b)	Business Combination Adjustments (c)	i3 Verticals, LLC Pro Forma
Revenue	\$ 154,920	\$ 1,543	\$ —	\$ 156,463
Operating expenses				
Interchange and network fees	102,872	—	—	102,872
Other costs of services	19,058	802	—	19,860
Selling general and administrative	19,041	757	(455) ^(c)	19,343
Depreciation and amortization	5,876	5	62 ^(c)	5,943
Change in fair value of contingent consideration	2,129	—	—	2,129
Total operating expenses	<u>148,976</u>	<u>1,564</u>	<u>(393)</u>	<u>150,147</u>
Income (loss) from operations	5,944	(21)	393	6,316
Other expenses				
Interest expense, net	5,006	—	104 ^(c)	5,110
Change in fair value of warrant liability	8,245	—	—	8,245
Other (income) expenses	—	(2)	—	(2)
Total other (income) expenses	<u>13,251</u>	<u>(2)</u>	<u>104</u>	<u>13,353</u>
Income (loss) before income taxes	(7,307)	(19)	289	(7,037)
Provision (benefit) for income taxes	(139)	(8)	47 ^(c)	(100)
Net income (loss)	<u>\$ (7,168)</u>	<u>\$ (11)</u>	<u>\$ 242</u>	<u>\$ (6,937)</u>

i3 Verticals, Inc. and Subsidiaries
Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations
For The Six Months Ended March 31, 2018
(In thousands, except per share data)

	<u>i3 Verticals, LLC Pro Forma</u>	<u>Reorganization Transactions</u>	<u>As Adjusted Before Offering</u>	<u>Offering Adjustments</u>	<u>Pro Forma i3 Verticals, Inc.</u>
Revenue	\$ 156,463	\$	\$	\$	\$
Operating expenses					
Interchange and network fees	102,872				
Other costs of services	19,860				
Selling general and administrative	19,343			(d)	
Depreciation and amortization	5,943				
Change in fair value of contingent consideration	2,129				
Total operating expenses	150,147				
Income from operations	6,316				
Other expenses					
Interest expense, net	5,110			(g)	
Change in fair value of warrant liability	8,245				
Other (income) expenses	(2)				
Total other expenses	13,353				
Income (loss) before income taxes	(7,037)				
Provision (benefit) for income taxes	(100)			(e)	
Net loss	\$ (6,937)	\$	\$	\$	\$
Net loss attributable to non-controlling interests	—			(f)	
Net loss attributable to i3 Verticals, Inc.	\$ (6,937)	\$	\$	\$	\$
Pro forma net income per share data (h):					
Weighted average shares of Class A common stock outstanding:					
Basic					
Diluted					
Net income available to Class A common stock per share:					
Basic					\$
Diluted					\$

See accompanying Notes to the Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations

- (a) i3 Verticals, Inc. was formed on January 17, 2018 and will have no results of operations until the completion of this offering. Therefore, its historical results of operations are not shown in a separate column in this unaudited pro forma interim condensed consolidated statement of operations.
- (b) SDCR, Inc.'s financial statements presented in the accompanying unaudited pro forma interim condensed consolidated statement of operations reflect the historical results of operations for the one month ended October 31, 2017. The operating results of SDCR, Inc. since the date of acquisition have been included in our historical results of operations for the six months ended March 31, 2018.
- (c) In accordance with the rules of Article 11 of Regulation S-X, the following adjustments were made for the acquisition of SDCR, Inc. (amounts in thousands):

	Selling general and administrative	Depreciation and amortization	Interest expense, net	Provision for income taxes
Adjust executive compensation ⁽¹⁾	\$ (297)	\$ —	\$ —	\$ —
Adjust amortization expense ⁽²⁾	—	62	—	—
Remove transaction costs ⁽³⁾	(158)	—	—	—
Adjust interest expense ⁽⁴⁾	—	—	104	—
Adjust income tax expense ⁽⁵⁾	—	—	—	47
Total	\$ (455)	\$ 62	\$ 104	\$ 47

- (1) Adjusted executive compensation is based on arrangements negotiated in conjunction with the acquisitions. The adjustments account for market-based compensation considerations and the actual historical compensation of specific executives who were offered new employment arrangements in connection with the acquisitions. We adjusted such compensation to reflect amounts they are expected to receive under their respective employment arrangements post-acquisition.
- (2) Increased amortization expense reflects identified intangible assets in the acquisition of SDCR, Inc. The weighted-average amortization period for all intangibles acquired is eleven years.
- (3) Direct, incremental transaction costs, which are reflected in our interim condensed consolidated results of operations for the six months ended March 31, 2018, are removed.
- (4) Interest has been adjusted to reflect the increased borrowings to fund the acquisition using a 6.25% interest rate, which represents our incremental borrowing rate as of October 31, 2017. If the interest rate were increased or decreased by 0.125%, it would result in a \$6,000 change in net interest expense for the six months ended March 31, 2018.
- (5) Income tax expense has been adjusted to reflect the increased pre-tax income for SDCR, Inc., a C corporation subject to an estimated federal and state blended tax rate of 30.9%.

- (d) Represents the increase in compensation expense we expect to incur following the completion of this offering. We expect to grant options to purchase approximately _____ shares of our Class A common stock to certain of our directors, executive officers and other employees in connection with this offering. This amount was calculated assuming the stock options were granted on October 1, 2017 with the stock options having an exercise price equal to \$ _____ per share, the assumed initial public offering price based on the midpoint of the price range set forth on the cover page of this prospectus. The grant date fair values of the stock options were determined using the Black-Scholes valuation model using the following assumptions:

Expected volatility
Expected dividend yield
Expected term (in years)
Risk-free interest rate

- (e) i3 Verticals, LLC has been, and will continue to be, treated as a partnership for U.S. federal and state income tax purposes. As such, income generated by i3 Verticals, LLC will flow through to its partners, including us,

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations

and is generally not subject to tax at the i3 Verticals, LLC level. Following the Reorganization Transactions, we will be subject to U.S. federal income taxes, in addition to state and local income taxes with respect to our allocable share of any taxable income of i3 Verticals, LLC. As a result, the unaudited pro forma consolidated statements of income reflect adjustments to our income tax expense to reflect an effective income tax rate of % for the six months ended March 31, 2018, which was calculated assuming the U.S. federal rates currently in effect and the highest statutory rates apportioned to each applicable state, local and foreign jurisdiction.

The income tax expense for the offering adjustments is determined using the Continuing Equity Owners' economic interest in i3 Verticals, LLC of % after giving effect to the issuance of shares of Class A common stock in this offering and the Former Equity Owners' conversion of their ownership interest in common units of i3 Verticals, LLC for shares of Class A common stock, based on the pro forma i3 Verticals, LLC income before income taxes adjusted for stock option expense and the reduction in interest expense as a result of the repayment of our Mezzanine Notes in full in the amount of \$ million, our Junior Subordinated Notes in full in the amount of \$ million, and \$ million of outstanding borrowings under our Senior Secured Credit Facility. The effective tax rate derived from the face of the unaudited pro forma consolidated statement of income will be lower than the stated effective tax rate because the effective tax rate is applied to only % of the income before taxes based on i3 Verticals, Inc.'s economic interest in i3 Verticals, LLC. Our pro forma allocable share of taxable income from i3 Verticals, LLC was \$ million, and our income tax was \$ million for the six months ended March 31, 2018.

- (f) Upon completion of the Reorganization Transactions, i3 Verticals, Inc. will become the sole managing member of i3 Verticals, LLC. As a result, we will consolidate the financial results of i3 Verticals, LLC and will report a non-controlling interest related to the common units of i3 Verticals, LLC held by the Continuing Equity Owners on our consolidated statements of income. Following this offering, assuming the underwriters do not exercise their option to purchase additional shares of Class A common stock, i3 Verticals, Inc. will own % of the common units of i3 Verticals, LLC and the Continuing Equity Owners will own the remaining % of the common units of i3 Verticals, LLC. Net income attributable to non-controlling interest will represent % of the income before income taxes of i3 Verticals, Inc. These amounts have been determined based on the assumption that the underwriters' option to purchase additional shares of Class A common stock is not exercised. If the underwriters exercise their option to purchase additional shares of Class A common stock in full, i3 Verticals Inc. will own % of the common units of i3 Verticals, LLC, the Continuing Equity Owners will own the remaining % of the common units of i3 Verticals, LLC and net income attributable to non-controlling interest will represent % of the income before income taxes of i3 Verticals, Inc.

The Reorganization Transaction adjustments include adjustments to report pro forma i3 Verticals, LLC net income attributable to non-controlling interests equal to the Continuing Equity Owners' economic interest in i3 Verticals, LLC of % after giving effect to the Former Equity Owners' conversion of Class B common units for shares of Class A common stock.

The offering adjustments include adjustments to report a non-controlling interest equal to the Continuing Equity Owners' economic interest in i3 Verticals, LLC of %, after giving effect to the issuance of shares of Class A common stock in this offering and the Former Equity Owners' conversion of their ownership interest in common units of i3 Verticals, LLC for shares of Class A common stock based on the pro forma i3 Verticals, LLC net income, adjusted for (i) equity-based compensation expense and (ii) the reduction in interest expense as a result of the repayment of our Mezzanine Notes in full, our Junior Subordinated Notes in full and \$ of outstanding borrowings under our Senior Secured Credit Facility.

- (g) As described in "Use of Proceeds," we intend to use a portion of the net proceeds from this offering (assuming that the underwriters' option to purchase additional shares of our Class A common stock is not exercised) to purchase common units directly from i3 Verticals, LLC at a price per unit equal to the initial public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions. i3 Verticals, LLC intends to use the \$ million in net proceeds it receives from the sale of

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations

common units to i3 Verticals, Inc. to repay our Mezzanine Notes in full in the amount of \$ million, our Junior Subordinated Notes in full in the amount of \$ million and approximately \$ million of outstanding borrowings under the revolving loan of our Senior Secured Credit Facility. Accordingly, pro forma adjustments have been made to reflect a reduction in interest expense of \$ million for the six months ended March 31, 2018, computed at weighted-average interest rate of %, as if the outstanding borrowings had been repaid on October 1, 2017.

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations

(h) Pro forma basic net income per share is computed by dividing the net income available to Class A common stockholders by the weighted-average shares of Class A common stock outstanding during the period. Pro forma diluted net income per share is computed by adjusting the net income available to Class A common stockholders and the weighted-average shares of Class A common stock outstanding to give effect to potentially dilutive securities. Shares of our Class B common stock are not entitled to receive any distributions or dividends and have no rights to convert into Class A common stock. When a common unit is exchanged for, at our election, cash or Class A common stock by a Continuing Equity Owner who holds shares of our Class B common stock, such Continuing Equity Owner will be required to surrender a share of Class B common stock, which we will cancel for no consideration. Therefore, we did not include shares of our Class B common stock in the computation of pro forma basic or diluted net loss per share. The following table sets forth a reconciliation of the numerators and denominators used to compute pro forma basic and diluted net loss per share (in thousands, except per share data):

	<u>Pro Forma i3 Verticals, Inc.</u> <u>Six months ended</u> <u>March 31, 2018</u>
Basic net income (loss) per share:	
<i>Numerator</i>	
Net income (loss)	
Less: Net income (loss) attributable to non-controlling interests	
Net income (loss) attributable to Class A common stockholders	
<i>Denominator</i>	
Shares of Class A common stock held by Former Equity Owners	
Shares of Class A common stock sold in this offering ⁽¹⁾	
Vested portion of Class A options ⁽²⁾	
Weighted average shares of Class A common stock outstanding	
Basic net income (loss) per share	
Diluted net income (loss) per share:	
<i>Numerator</i>	
Net income (loss)	
Reallocation of net income (loss) assuming conversion of common units ⁽³⁾	
Net income (loss) attributable to Class A common stockholders	
<i>Denominator</i>	
Weighted average shares of Class A common stock outstanding	
Weighted average effect of dilutive securities ⁽⁴⁾	
Weighted average shares of Class A common stock outstanding - diluted	
Diluted net income (loss) per share	

(1) We plan to use a portion of the net proceeds from this offering (assuming that the underwriters' option to purchase additional shares of our Class A common stock is not exercised) to purchase common units directly from i3 Verticals, LLC at a price per unit equal to the offering price per share of Class A common stock in this offering less the underwriting discounts and commissions and, in turn, i3 Verticals, LLC intends to use the \$ million in net proceeds it receives from the sale of common units to i3 Verticals, Inc. to repay our Mezzanine Notes in full, our Junior Subordinated Notes in full and \$ million of outstanding borrowings under our Senior Secured Credit Facility.

(2) In calculating pro forma basic net income per share for the six months ended March 31, 2018, unvested options to purchase approximately shares of our Class A common stock that we expect to grant to certain of our directors, executive officers and other employees in connection with this offering that would have vested as of September 30, 2017 have not been included because

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Interim Condensed Consolidated Statement of Operations

their exercise price is equal to the initial public offering price per share of our Class A common stock in this offering and therefore they have no effect on pro forma diluted net income per share.

- (3) The reallocation of net income (loss) assuming conversion of common units represents the tax effected net income (loss) attributable to non-controlling interest using the effective income tax rates described in footnote (c) above and assuming all common units of i3 Verticals, LLC were exchanged for Class A common stock at the beginning of the period. The common units of i3 Verticals, LLC held by the Continuing Equity Owners are potentially dilutive securities, and the computations of pro forma diluted net income (loss) per share assume that all common units of i3 Verticals, LLC were exchanged for shares of Class A common stock at the beginning of the period. This adjustment was made only for purposes of calculating pro forma diluted net income per share and does not necessarily reflect the amount of exchanges that may occur subsequent to this offering.
- (4) Includes outstanding shares of Class A common stock issuable upon the exchange of common units to be held by the Continuing Equity Owners prior to this offering and shares of unvested common units and options.

i3 Verticals, Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Statement of Operations
Fiscal Year Ended September 30, 2017
(In thousands, except per share data)

	Historical i3 Verticals, LLC (a)	Historical Fairway (b)	Historical SDCR, Inc. (c)	Business Combination Adjustments (d)	i3 Verticals, LLC Pro Forma
Revenue	\$ 262,571	\$ 27,857	\$ 18,512	\$ —	\$ 308,940
Operating expenses					
Interchange and network fees	189,112	16,577	—	—	205,689
Other costs of services	28,798	3,518	9,622	—	41,938
Selling general and administrative	27,194	2,316	9,079	(4,038) ^(d)	34,551
Depreciation and amortization	10,085	123	63	1,904 ^(d)	12,175
Change in fair value of contingent consideration	(218)	—	—	—	(218)
Total operating expenses	<u>254,971</u>	<u>22,534</u>	<u>18,764</u>	<u>(2,134)</u>	<u>294,135</u>
Income (loss) from operations	7,600	5,323	(252)	2,134	14,805
Other expenses					
Interest expense, net	6,936	286	—	3,112 ^(d)	10,334
Change in fair value of warrant liability	(415)	—	—	—	(415)
Other (income) expenses	—	1	(29)	—	(28)
Total other (income) expenses	<u>6,521</u>	<u>287</u>	<u>(29)</u>	<u>3,112</u>	<u>9,891</u>
Income (loss) before income taxes	1,079	5,036	(223)	(978)	4,914
Provision (benefit) for income taxes	177	—	(94)	627 ^(d)	710
Net income (loss)	<u>\$ 902</u>	<u>\$ 5,036</u>	<u>\$ (129)</u>	<u>\$ (1,605)</u>	<u>\$ 4,204</u>

i3 Verticals, Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Statement of Operations (Continued)
Fiscal Year Ended September 30, 2017
(In thousands, except per share data)

	i3 Verticals, LLC Pro Forma	Reorganization Transactions	As Adjusted Before Offering	Offering Adjustments	Pro Forma i3 Verticals, Inc.
Revenue	\$ 308,940	\$	\$	\$	\$
Operating expenses					
Interchange and network fees	205,689				
Other costs of services	41,938				
Selling general and administrative	34,551			(e)	
Depreciation and amortization	12,175				
Change in fair value of contingent consideration	(218)				
Total operating expenses	294,135				
Income from operations	14,805				
Other expenses					
Interest expense, net	10,334			(h)	
Change in fair value of warrant liability	(415)				
Other (income) expenses	(28)				
Total other expenses	9,891				
Income before income taxes	4,914				
Provision for income taxes	710			(f)	
Net income	\$ 4,204	\$	\$	\$	\$
Net income attributable to non-controlling interests	—			(g)	
Net income attributable to i3 Verticals, Inc.	\$ 4,204	\$	\$	\$	\$
Pro forma net income per share data (i):					
Weighted average shares of Class A common stock outstanding:					
Basic					
Diluted					
Net income available to Class A common stock per share:					
Basic					
Diluted					

See accompanying Notes to the Unaudited Pro Forma Consolidated Statement of Operations

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Statement of Operations

- (a) i3 Verticals, Inc. was formed on January 17, 2018 and will have no results of operations until the completion of this offering and therefore its historical results of operations are not shown in a separate column in this unaudited pro forma consolidated statement of operations.
- (b) We purchased Fairway on August 1, 2017 after its conversion to a Virginia limited liability company. The audited historical financial statements of Fairway Payments, Inc. for the seven months ended July 31, 2017 and the year ended December 31, 2016, prior to its conversion to a limited liability company, are included within this prospectus. The operating results of Fairway since the date of acquisition have been included in our consolidated results of operations for the year ended September 30, 2017. We have included the audited Fairway Payments, Inc. results of operations for the seven months ended July 31, 2017 in this unaudited pro forma statement of operations. We have also included Fairway Payments, Inc.'s historical results of operations for the three months ended December 31, 2016 in this unaudited pro forma statement of operations. The following shows the calculation of the pro forma results of operations for the ten months ended July 31, 2017 (amounts in thousands).

	Historical seven months ended July 31, 2017	Historical three months ended December 31, 2016	Historical ten months ended July 31, 2017
Revenue	\$ 19,805	\$ 8,052	\$ 27,857
Operating expenses			
Interchange and network fees	11,663	4,914	16,577
Other costs of services	2,502	1,016	3,518
Selling general and administrative	1,815	501	2,316
Depreciation and amortization	86	37	123
Total operating expenses	<u>16,066</u>	<u>6,468</u>	<u>22,534</u>
Income from operations	3,739	1,584	5,323
Other expenses			
Interest expense, net	226	60	286
Other expenses	1	—	1
Total other expenses	<u>227</u>	<u>60</u>	<u>287</u>
Net income	<u>\$ 3,512</u>	<u>\$ 1,524</u>	<u>\$ 5,036</u>

- (c) SDCR, Inc.'s financial statements presented in the accompanying unaudited pro forma condensed statement of operations reflect the historical results of operations for the year ended October 31, 2017 from the audited financial statements. In accordance with Regulation S-X 11-02(c)(3), no adjustments were required to modify the period of SDCR, Inc.'s historical condensed statement of operations.

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Statement of Operations

(d) In accordance with the rules of Regulation S-X Article 11, the following adjustments were made for the significant acquisitions (amounts in thousands):

	Selling general and administrative	Depreciation and amortization	Interest expense, net	Provision for income taxes
Adjust executive compensation ⁽¹⁾				
Fairway	\$ (173)	\$ —	\$ —	\$ —
SDCR, Inc.	(3,579)	—	—	—
Adjust amortization expense ⁽²⁾				
Fairway	—	1,158	—	—
SDCR, Inc.	—	746	—	—
Remove transaction costs ⁽³⁾				
Fairway	(245)	—	—	—
SDCR, Inc.	(41)	—	—	—
Adjust interest expense ⁽⁴⁾				
Fairway	—	—	1,862	—
SDCR, Inc.	—	—	1,250	—
Adjust income tax expense ⁽⁵⁾				
SDCR, Inc.	—	—	—	627
Total	\$ (4,038)	\$ 1,904	\$ 3,112	\$ 627

(1) Adjusted executive compensation is based on arrangements negotiated in conjunction with the acquisitions. The adjustments account for market-based compensation considerations and the actual historical compensation of specific executives who were offered new employment arrangements in connection with the acquisitions. We adjusted such compensation to reflect amounts they are expected to receive under their respective employment arrangements post-acquisition.

(2) Increased amortization expense reflects identified intangible assets in the acquisitions. For Fairway, the weighted-average amortization period for all intangibles acquired is fifteen years. For SDCR, Inc., the weighted-average amortization period for all intangibles acquired is eleven years.

(3) Direct, incremental transaction costs of the respective acquisition, which are reflected in our consolidated results of operations for the year ended September 30, 2017, are removed.

(4) Interest has been adjusted to reflect the increased borrowings to fund the acquisitions using a 5.73% and a 6.25% interest rate, which represents our incremental borrowing rate as of the date of the Fairway and SDCR, Inc. acquisitions, respectively. If the interest rate were increased or decreased by 0.125%, it would result in a \$41,000 and \$25,000 change in net interest expense for Fairway and SDCR, Inc., respectively.

(5) Income tax expense has been adjusted to reflect the increased pre-tax income for SDCR, Inc., a C corporation subject to an estimated federal and state blended tax rate of 39.6%.

(e) Represents the increase in compensation expense we expect to incur following the completion of this offering. We expect to grant options to purchase approximately shares of our Class A common stock to certain of our directors, executive officers and other employees in connection with this offering. This amount was calculated assuming the stock options were granted on October 1, 2016 with the stock options having an exercise price equal to \$ per share, the assumed initial public offering price based on the midpoint of the price range set forth on the cover page of this prospectus. The grant date fair values of the stock options were determined using the Black-Scholes valuation model using the following assumptions:

Expected volatility

Expected dividend yield

Expected term (in years)

Risk-free interest rate

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Statement of Operations

- (f) i3 Verticals, LLC has been, and will continue to be, treated as a partnership for U.S. federal and state income tax purposes. As such, income generated by i3 Verticals, LLC will flow through to its partners, including us, and is generally not subject to tax at the i3 Verticals, LLC level. Following the Reorganization Transactions, we will be subject to U.S. federal income taxes, in addition to state and local income taxes with respect to our allocable share of any taxable income of i3 Verticals, LLC. As a result, the unaudited pro forma consolidated statements of income reflect adjustments to our income tax expense to reflect an effective income tax rate of % for the year ended September 30, 2017, which was calculated assuming the U.S. federal rates currently in effect and the highest statutory rates apportioned to each applicable state, local and foreign jurisdiction.

The income tax expense for the offering adjustments is determined using the Continuing Equity Owners' economic interest in i3 Verticals, LLC of % after giving effect to the issuance of shares of Class A common stock in this offering and the Former Equity Owners' conversion of their ownership interest in common units of i3 Verticals, LLC for shares of Class A common stock, based on the pro forma i3 Verticals, LLC income before income taxes adjusted for stock option expense and the reduction in interest expense as a result of the repayment of our Mezzanine Notes in full in the amount of \$ million, our Junior Subordinated Notes in full in the amount of \$ million, and \$ million of outstanding borrowings under our Senior Secured Credit Facility. The effective tax rate derived from the face of the unaudited pro forma consolidated statement of income will be lower than the stated effective tax rate because the effective tax rate is applied to only % of the income before taxes based on i3 Verticals, Inc.'s economic interest in i3 Verticals, LLC. Our pro forma allocable share of taxable income from i3 Verticals, LLC was \$ million and our income tax was \$ million for the year ended September 30, 2017.

- (g) Upon completion of the Reorganization Transactions, i3 Verticals, Inc. will become the sole managing member of i3 Verticals, LLC. As a result, we will consolidate the financial results of i3 Verticals, LLC and will report a non-controlling interest related to the common units of i3 Verticals, LLC held by the Continuing Equity Owners on our consolidated statements of income. Following this offering, assuming the underwriters do not exercise their option to purchase additional shares of Class A common stock, i3 Verticals, Inc. will own % of the common units of i3 Verticals, LLC and the Continuing Equity Owners will own the remaining % of the common units of i3 Verticals, LLC. Net income attributable to non-controlling interest will represent % of the income before income taxes of i3 Verticals, Inc. These amounts have been determined based on the assumption that the underwriters' option to purchase additional shares of Class A common stock is not exercised. If the underwriters exercise their option to purchase additional shares of Class A common stock in full, i3 Verticals Inc. will own % of the common units of i3 Verticals, LLC, the Continuing Equity Owners will own the remaining % of the common units of i3 Verticals, LLC and net income attributable to non-controlling interest will represent % of the income before income taxes of i3 Verticals, Inc.

The Reorganization Transaction adjustments include adjustments to report pro forma i3 Verticals, LLC net income attributable to non-controlling interests equal to the Continuing Equity Owners' economic interest in i3 Verticals, LLC of % after giving effect to the Former Equity Owners' conversion of Class B common units for shares of Class A common stock.

The offering adjustments include adjustments to report a non-controlling interest equal to the Continuing Equity Owners' economic interest in i3 Verticals, LLC of %, after giving effect to the issuance of shares of Class A common stock in this offering and the Former Equity Owners' conversion of their ownership interest in common units of i3 Verticals, LLC for shares of Class A common stock based on the pro forma i3 Verticals, LLC net income, adjusted for (i) equity-based compensation expense and (ii) the reduction in interest expense as a result of the repayment of our Mezzanine Notes in full, our Junior Subordinated Notes in full and \$ of outstanding borrowings under our Senior Secured Credit Facility.

- (h) As described in "Use of Proceeds," we intend to use a portion of the net proceeds from this offering (assuming that the underwriters' option to purchase additional shares of our Class A common stock is not exercised) to purchase common units directly from i3 Verticals, LLC at a price per unit equal to the initial

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Statement of Operations

public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions. i3 Verticals, LLC intends to use the \$ million in net proceeds it receives from the sale of common units to i3 Verticals, Inc. to repay our Mezzanine Notes in full in the amount of \$ million, our Junior Subordinated Notes in full in the amount of \$ million and approximately \$ million of outstanding borrowings under the revolving loan of our Senior Secured Credit Facility. Accordingly, pro forma adjustments have been made to reflect a reduction in interest expense of \$ million for the year ended September 30, 2017, computed at a weighted-average interest rate of %, as if the outstanding borrowings had been repaid on October 1, 2016.

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Statement of Operations

(i) Pro forma basic net income per share is computed by dividing the net income available to Class A common stockholders by the weighted-average shares of Class A common stock outstanding during the period. Pro forma diluted net income per share is computed by adjusting the net income available to Class A common stockholders and the weighted-average shares of Class A common stock outstanding to give effect to potentially dilutive securities. Shares of our Class B common stock are not entitled to receive any distributions or dividends and have no rights to convert into Class A common stock. When a common unit is exchanged for, at our election, cash or Class A common stock by a Continuing Equity Owner who holds shares of our Class B common stock, such Continuing Equity Owner will be required to surrender a share of Class B common stock, which we will cancel for no consideration. Therefore, we did not include shares of our Class B common stock in the computation of pro forma basic or diluted net loss per share. The following table sets forth a reconciliation of the numerators and denominators used to compute pro forma basic and diluted net loss per share (in thousands, except per share data):

	Pro Forma i3 Verticals, Inc. Year ended September 30, 2017
Basic net income (loss) per share:	
<i>Numerator</i>	
Net income (loss)	
Less: Net income (loss) attributable to non-controlling interests	
Net income (loss) attributable to Class A common stockholders	
<i>Denominator</i>	
Shares of Class A common stock held by Former Equity Owners	
Shares of Class A common stock sold in this offering ⁽¹⁾	
Vested portion of Class A options ⁽²⁾	
Weighted average shares of Class A common stock outstanding	
Basic net income (loss) per share	
Diluted net income (loss) per share:	
<i>Numerator</i>	
Net income (loss)	
Reallocation of net income (loss) assuming conversion of common units ⁽³⁾	
Net income (loss) attributable to Class A common stockholders	
<i>Denominator</i>	
Weighted average shares of Class A common stock outstanding	
Weighted average effect of dilutive securities ⁽⁴⁾	
Weighted average shares of Class A common stock outstanding - diluted	
Diluted net income (loss) per share	

(1) We plan to use a portion of the net proceeds from this offering (assuming that the underwriters' option to purchase additional shares of our Class A common stock is not exercised) to purchase common units directly from i3 Verticals, LLC at a price per unit equal to the offering price per share of Class A common stock in this offering less the underwriting discounts and commissions and, in turn, i3 Verticals, LLC intends to use the \$ million in net proceeds it receives from the sale of common units to i3 Verticals, Inc. to repay our Mezzanine Notes in full, our Junior Subordinated Notes in full and \$ million of outstanding borrowings under our Senior Secured Credit Facility.

(2) In calculating pro forma basic net income per share for the year ended September 30, 2017, unvested options to purchase approximately shares of our Class A common stock that we expect to grant to certain of our directors, executive officers and other employees in connection with this offering that would have vested as of September 30, 2017 have not been included because

i3 Verticals, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Statement of Operations

their exercise price is equal to the initial public offering price per share of our Class A common stock in this offering and therefore they have no effect on pro forma diluted net income per share.

- (3) The reallocation of net income (loss) assuming conversion of common units represents the tax effected net income (loss) attributable to non-controlling interest using the effective income tax rates described in footnote (c) above and assuming all common units of i3 Verticals, LLC were exchanged for Class A common stock at the beginning of the period. The common units of i3 Verticals, LLC held by the Continuing Equity Owners are potentially dilutive securities, and the computations of pro forma diluted net income (loss) per share assume that all common units of i3 Verticals, LLC were exchanged for shares of Class A common stock at the beginning of the period. This adjustment was made only for purposes of calculating pro forma diluted net income per share and does not necessarily reflect the amount of exchanges that may occur subsequent to this offering.
- (4) Includes outstanding shares of Class A common stock issuable upon the exchange of common units to be held by the Continuing Equity Owners prior to this offering and shares of unvested common units and options.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary consolidated financial data of i3 Verticals, LLC should be read in conjunction with "Our Organizational Structure," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our audited consolidated financial statements and the related notes included elsewhere in this prospectus. i3 Verticals, LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical financial statements following this offering.

The statement of operations data set forth below for the fiscal years ended September 30, 2017 and 2016 and the balance sheet data as of September 30, 2017 and 2016 are derived from the audited consolidated financial statements of i3 Verticals, LLC that are included elsewhere in this prospectus. The summary condensed consolidated statement of operations data for the six months ended March 31, 2018 and 2017 and the condensed consolidated balance sheet data as of March 31, 2018 are derived from unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. The summary unaudited condensed consolidated statements of operations data for the twelve months ended March 31, 2018 and 2017 are derived from management's records. The unaudited interim condensed consolidated financial statements, and the condensed consolidated statements of operations data for the twelve months ended March 31, 2018 and 2017, have been prepared on the same basis as the audited consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair presentation of the unaudited interim condensed consolidated financial statements and the condensed consolidated statements of operations data for the twelve months ended March 31, 2018 and 2017.

The historical results presented below are not necessarily indicative of financial results to be achieved in future periods.

<i>(in thousands except for payment volume which is in millions)</i>	Pro Forma i3 Verticals, Inc.		Six months ended March 31,		Year ended September 30,		Twelve months ended March 31,	
	Six months ended March 31, 2018	Year ended September 30, 2017	2018	2017	2017	2016	2018	2017
	(unaudited)		(unaudited)				(unaudited)	
Statement of Operations Data								
Revenue			\$ 154,920	\$ 124,466	\$ 262,571	\$ 199,644	\$ 293,025	\$ 248,120
Interchange and network fees			102,872	89,116	189,112	140,998	202,868	179,107
Other costs of services			19,058	13,615	28,798	21,934	34,241	26,806
Selling general and administrative			19,041	12,936	27,194	20,393	33,299	24,370
Depreciation and amortization			5,876	5,071	10,085	9,898	10,890	10,419
Change in fair value of contingent consideration			2,129	923	(218)	2,458	988	1,709
Total other expenses			13,251	3,243	6,521	5,813	16,529	6,429
Provision (benefit) for income taxes			(139)	(70)	177	243	108	(131)
Net income (loss)	\$ —	\$ —	\$ (7,168)	\$ (368)	\$ 902	\$ (2,093)	\$ (5,898)	\$ (589)
Other Financial Data (unaudited)								
Payment volume ⁽¹⁾			\$ 5,585	\$ 4,870	\$ 10,269	\$ 8,143	\$ 10,984	\$ 9,908
Number of clients ⁽²⁾			24	22	24	22	24	22
Net revenue ⁽²⁾			\$ 52,048	\$ 35,350	\$ 73,459	\$ 58,646	\$ 90,157	\$ 69,013
Adjusted net income ⁽³⁾			\$ 3,818	\$ 833	\$ 2,066	\$ 1,565	\$ 5,051	\$ 2,355
Adjusted EBITDA ⁽³⁾			\$ 14,561	\$ 9,077	\$ 19,264	\$ 17,606	\$ 24,748	\$ 19,099

The reconciliation of our net income (loss) to adjusted net income and adjusted EBITDA is as follows:

<i>(in thousands)</i>	Pro Forma i3 Verticals, Inc.		Six months ended March 31,		Year ended September 30,		Twelve months ended March 31,	
	Six months ended March 31, 2018	Year ended September 30, 2017	2018	2017	2017	2016	2018	2017
			\$	\$	\$	\$	\$	\$
Net income (loss)			\$ (7,168)	\$ (368)	\$ 902	\$ (2,093)	\$ (5,898)	\$ (589)
Plus:								
Offering-related expenses ^(a)			124	—	—	—	124	—
Non-cash change in fair value of contingent consideration ^(b)			2,129	923	(218)	2,458	988	1,709
Non-cash change in fair value of warrant liability ^(c)			8,245	—	(415)	(28)	7,830	(28)
Share-based compensation ^(d)			—	—	—	—	—	—
Acquisition-related expenses ^(e)			447	276	766	1,217	937	1,251
Other taxes ^(f)			41	2	36	11	75	12
Legal settlement ^(g)			—	—	995	—	995	—
Adjusted net income	\$ —	\$ —	\$ 3,818	\$ 833	\$ 2,066	\$ 1,565	\$ 5,051	\$ 2,355
Plus:								
Interest expense, gross			5,006	3,243	6,936	5,900	8,699	6,456
Provision (benefit) for income taxes			(139)	(70)	177	243	108	(131)
Depreciation and amortization			5,876	5,071	10,085	9,898	10,890	10,419
Adjusted EBITDA	\$ —	\$ —	\$ 14,561	\$ 9,077	\$ 19,264	\$ 17,606	\$ 24,748	\$ 19,099

(a) Includes costs associated with forming i3 Verticals, Inc. and other expenses directly related to the Reorganization Transactions.

(b) Non-cash change in fair value of contingent consideration reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the later of the most recent balance sheet date forming the beginning of the income statement period or the original estimates made at the closing of the applicable acquisition.

(c) Non-cash change in warrant liability reflects the fair value change in certain warrants for our common units associated with our Mezzanine Notes. These warrants are accounted for as liabilities on our Consolidated Balance Sheets.

(d) We did not expense any share-based compensation for the periods presented, but we currently anticipate share-based compensation in the periods following this offering.

(e) Acquisition-related expenses are the professional service and related costs directly related to our acquisitions and are not part of our core performance.

(f) Other taxes consist of franchise taxes, commercial activity taxes and other non-income based taxes. Taxes related to salaries or employment are not included.

(g) Legal settlement is a charge from certain legal proceedings and is further discussed in "Business—Legal Proceedings."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with "Selected Historical Consolidated Financial and Other Data" and the financial statements and related notes included elsewhere in this prospectus. Such discussion and analysis reflects the historical results of operations and financial position of i3 Verticals, LLC, and, except as otherwise indicated below, does not give effect to the Reorganization Transactions or to the completion of this offering. See "Our Organizational Structure." This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" and elsewhere in this prospectus.

Executive Overview

Recognizing the convergence of software and payments, i3 Verticals was founded in 2012 with the purpose of delivering seamless integrated payment and software solutions to SMBs and organizations in strategic vertical markets. Since commencing operations, we have built a broad suite of payment and software solutions that address the specific needs of SMBs and other organizations in our strategic vertical markets, and we believe our suite of solutions differentiates us from our competition. Our primary strategic vertical markets include education, non-profit, public sector, property management and healthcare. These vertical markets are large, growing and tend to have increasing levels of electronic payments adoption compared to other industries. In addition to our strategic vertical markets, we also have a growing presence in the B2B payments market. We processed approximately \$10.3 billion in total payment volume in 2017, growing at a CAGR of 67% since 2014.

We distribute our payment technology and proprietary software solutions to our clients through our direct sales force as well as through a growing network of distribution partners, including ISVs, VARs, ISOs and other referral partners, including financial institutions. Our ISV partners represent a significant distribution channel and enable us to accelerate our market penetration through a cost effective one-to-many distribution model that tends to result in high retention and faster growth. From September 30, 2016 to September 30, 2017, we increased our network of ISVs from 13 to 22, which produced an increase in average monthly payment volume of 155%.

Our integrated payment and software solutions feature embedded payment capabilities tailored to the specific needs of our clients in strategic vertical markets. Our configurable payment technology solutions integrate seamlessly into clients' third-party business management systems, provide security that complies with PCI DSS and include extensive reporting tools. In addition to integrations with third party software, we deliver our own proprietary software solutions that increase the productivity of our clients by streamlining their business processes, particularly in the education, property management and public sector markets. We believe our proprietary software further differentiates us from our competitors in these strategic verticals and enables us to maximize our payment-related revenue. Through our proprietary gateway, we offer our clients a single point of access for a broad suite of payment and software solutions, enabling omni-channel POS, spanning brick and mortar and electronic and mobile commerce, including app-based payments.

We primarily focus on strategic vertical markets where we believe we can be a leader in vertically-focused, integrated payment and software solutions. Our strategic vertical markets include education, non-profit, public sector, property management and healthcare. We have a longer term goal of being a leader in six to ten strategic vertical markets. We target vertical markets where businesses and organizations tend to lack integrated payment functionality within their business management systems and where we face less competition for our solutions. In many cases, we deliver our proprietary software solutions to strategic vertical markets through the PayFac model, where we maintain a master merchant account, enabling clients to accept electronic payments through a sub-merchant contract. As more ISVs seek to differentiate their offerings by seamlessly integrating payment functionality into their software solutions, the PayFac model has gained significant momentum. Before PayFacs were an option, any business looking to accept credit cards was required to establish an individual merchant account, which is often costly and time-consuming for small merchants. Our PayFac solution streamlines and simplifies client onboarding, delivers ease of reporting and reconciliation and enables superior data management.

In addition to our vertical markets, we have a growing presence in the B2B payments sector, which is among the fastest-growing segments within payments. Compared with business-to-consumer payments where, according to The Nilson Report, approximately 75% of payment volume was processed through electronic methods in 2016, the B2B payments market is significantly less penetrated by electronic payments. According to PayStream Advisors' 2017 Electronic Payments Report, checks account for more than 45% of B2B payments, presenting an opportunity for further adoption of card-based and other electronic payments.

An important part of our long-term strategy is acquisition-driven growth. To date, we have completed nine "platform" acquisitions and twelve "tuck-in" acquisitions. Our platform acquisitions have opened new strategic vertical markets, broadened our technology and solutions suite and expanded our client base, while our tuck-in acquisitions have augmented our existing payment and software solutions and added clients. Our growth strategy is to continue to build our company through a disciplined combination of organic growth and growth through platform and tuck-in acquisitions. With more than 3,500 U.S. payments companies registered with Visa and over 10,000 ISVs doing business in the United States, we are confident that we will continue to be successful in finding acquisition targets to supplement our organic growth.

We generate revenue primarily from payment processing services, which principally include but are not limited to volume-based fees, provided to clients throughout the United States. Our payment processing services enable clients to accept electronic payments, facilitating the exchange of funds and transaction data between clients, financial institutions and payment networks. Our payment processing services include merchant onboarding, risk and underwriting, authorization, settlement, chargeback processing and other merchant support. We also generate revenue from software licensing subscriptions, ongoing support, and other POS-related solutions that we provide to our clients directly and through our distribution partners. For the six month period ended March 31, 2018, we generated \$154.9 million in revenue, \$(7.2) million of net loss and \$14.6 million of adjusted EBITDA, compared to \$124.5 million in revenue, \$(0.4) million of net loss and \$9.1 million of adjusted EBITDA for the comparable period in 2017, an increase of 24% and 60% for revenue and adjusted EBITDA, respectively. In fiscal year 2017, we generated \$262.6 million in revenue, \$0.9 million of net income and \$19.3 million of adjusted EBITDA, compared to \$199.6 million in revenue, \$(2.1) million of net loss and \$17.6 million of adjusted EBITDA in fiscal year 2016, an increase of 32% and 10% for revenue and adjusted EBITDA, respectively. See "Summary Historical and Pro Forma Consolidated Financial and Other Data" for a discussion of adjusted EBITDA and a reconciliation of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure.

Recent Developments

New Senior Secured Credit Facility

On October 30, 2017, we refinanced our then existing senior secured credit facility (the "2016 Senior Secured Credit Facility") with a new syndicated credit agreement, with Bank of America serving as administrative agent (the Senior Secured Credit Facility). The new Senior Secured Credit Facility consists of a \$40.0 million term loan and a \$110.0 million revolving line of credit. The Senior Secured Credit Facility accrues interest, payable monthly, at an annual rate equal to the prime rate plus a margin of 0.50% to 2.00% or at the 30-day LIBOR rate plus a margin of 2.75% to 4.00%, in each case depending on the ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the Senior Secured Credit Facility requires us to pay unused commitment fees of up to 0.30% on any undrawn amounts under the revolving line of credit. The maturity date of the Senior Secured Credit Facility is the earlier of October 30, 2022 or 181 days before the maturity date of the Mezzanine Notes. Principal payments of \$1.3 million are due on the last day of each calendar quarter until the maturity date, when all outstanding principal and accrued and unpaid interest are due. We used proceeds from the Senior Secured Credit Facility to complete the acquisition of SDCR, Inc. discussed below. As of March 31, 2018 we had \$37.5 million of term loans outstanding with \$70.8 million outstanding and \$39.3 million of available capacity under our revolving line of credit.

For additional information, see "—Liquidity and Capital Resources—Senior Secured Credit Facility" in this section.

Acquisitions

On January 31, 2018, we acquired certain assets and assumed certain liabilities of Enterprise Merchant Solutions, Inc. ("EMS, Inc."). We used proceeds from our Senior Secured Credit Facility to fund the purchase consideration of \$6.7 million, including \$0.7 million of contingent consideration. We acquired EMS, Inc. to expand our revenue within the integrated POS market. The effect of the acquisition will be included in our consolidated statement of operations beginning February 1, 2018.

On December 1, 2017, we acquired certain assets of Court Solutions, LLC ("CS, LLC"). We acquired CS, LLC to expand our revenue within the public sector vertical market. We used proceeds from our Senior Secured Credit Facility to fund the net purchase consideration of \$2.9 million, including \$0.7 million of contingent consideration.

On October 31, 2017, we closed an agreement to purchase all of the outstanding stock of SDCR, Inc. We acquired SDCR, Inc. to expand our revenue within the integrated POS market. We used proceeds from our Senior Secured Credit Facility and the issuance of \$0.1 million of common units in a private placement to fund the net purchase consideration of \$20.8 million, including \$0.7 million of contingent consideration.

On August 1, 2017, we acquired the membership interests of Fairway. We acquired Fairway to add ISV distribution partners, to increase our presence in the healthcare and non-profit verticals and to provide another vendor for our payment processing services. We used proceeds from our revolving credit facility, the issuance of \$12.5 million of our Class A units in a private placement and the issuance of \$0.3 million of our common units to fund the net purchase consideration of \$39.3 million.

On June 30, 2017, we acquired certain assets and assumed certain liabilities of C.C. Productions, Inc. ("CCP, Inc."), a dealer of our products within the education market. We acquired CCP, Inc. to provide additional service to our education clients. We used proceeds from our revolving credit facility and cash on hand to fund the net purchase consideration of \$1.2 million.

On December 1, 2016, we acquired substantially all assets of CSC Links, LLC ("CSC, LLC"). We acquired CSC, LLC to expand our client base in our verticals. We used proceeds from our revolving credit facility and cash on hand to fund the net purchase consideration of \$5.2 million, including \$1.2 million of accrued contingent cash consideration for a three-year earnout period.

On June 1, 2016, we acquired substantially all assets and assumed certain liabilities of Randall Data Systems, Inc. ("Randall, Inc."). We acquired Randall, Inc. to expand our revenue within the integrated POS market. We used proceeds from our revolving credit facility and cash on hand to fund the net purchase consideration of \$1.5 million.

On April 1, 2016, we acquired certain assets of Axia Payments, LLC ("Axia"). We acquired Axia to increase our revenue and client base and add another strategic processing partner. We used proceeds from our revolving credit facility and the issuance of less than \$0.1 million of our common units in a private placement to fund the net purchase consideration of \$28.6 million.

On March 1, 2016, we acquired certain assets and assumed certain liabilities of Fullerton Retail Systems, Inc., doing business as Esber Cash Register ("Fullerton, Inc."), a dealer of our products within the education vertical market. We acquired Fullerton, Inc. to provide additional service to our clients. We used proceeds from our revolving credit facility and cash on hand to fund the net purchase consideration of \$2.1 million.

On January 1, 2016, we acquired substantially all assets and assumed certain liabilities of SkyHill Software Incorporated ("SkyHill, Inc."), doing business as Bill & Pay. We acquired SkyHill, Inc. to offer additional technology products to our clients. We used proceeds from our revolving credit facility and cash on hand to fund the net purchase consideration of \$2.2 million, including \$1.5 million of accrued contingent cash consideration over a three-year period.

On July 1, 2015, we acquired Innovative Financial Technologies, LLC ("Infintech"), a provider of card-based processing services. In 2017 and 2016, we paid \$2.4 million and \$3.3 million, respectively, in cash contingent consideration relating to the acquisition.

On May 1, 2015, we acquired Practical Business Solutions (“PBS”), a provider of card-based processing services. In 2017 and 2016, we paid \$0.8 million and \$0.5 million, respectively, in cash contingent consideration relating to the acquisition.

On March 1, 2015, we acquired Information Design, Inc., doing business as EZ-Pay (“EZ-Pay”), a software and payments provider in the education vertical. In 2016, we paid \$1.1 million in cash contingent consideration relating to the acquisition.

On April 1, 2014, we acquired Data Business Systems of Colorado, Inc. (“PaySchools”), a software and payments provider in the education vertical. In 2016, we paid \$0.5 million in cash contingent consideration relating to the acquisition.

The results of operations of these acquired businesses have been included in our financial statements since the applicable acquisition date. For more information regarding these transactions, see Note 3 to our unaudited interim condensed consolidated financial statements and Note 4 to our consolidated financial statements included elsewhere in this prospectus.

Our Revenue and Expenses

Revenues

We generate revenue primarily from payment processing services provided to clients, which principally include but are not limited to volume-based fees (“discount fees”), and to a lesser extent, software licensing subscriptions, ongoing support and other POS-related solutions we provide to our clients directly and through our distribution partners. Volume-based fees represent a percentage of the dollar amount of each credit or debit transaction processed. Revenues are also derived from a variety of fixed transaction or service fees, including authorization fees, convenience fees, statement fees, annual fees and fees for other miscellaneous services, such as handling chargebacks.

Expenses

Interchange and network fees. Interchange and network fees consist primarily of pass-through fees that make up a portion of discount fee revenue. These include assessment fees payable to card associations, which are a percentage of the processing volume we generate from Visa and Mastercard.

Other costs of services. Other costs of services include costs directly attributable to processing and bank sponsorship costs. These also include related costs such as residual payments to our distribution partners, which are based on a percentage of the net revenues generated from client referrals. Losses resulting from excessive chargebacks against a client are included in other cost of services. The cost of equipment sold is also included in cost of services. Interchange and other costs of services are recognized at the time the client’s transactions are processed.

Selling, general and administrative. Selling, general and administrative expenses include salaries and other employment costs, professional services, rent and utilities and other operating costs.

Depreciation and amortization. Depreciation expense consists of depreciation on our investments in property, equipment and computer hardware and software. Depreciation expense is recognized on a straight-line basis over the estimated useful life of the asset. Amortization expense for acquired intangible assets and internally developed software is recognized using a proportional cash flow method. Amortization expense for internally developed software is recognized over the estimated useful life of the asset. The useful lives of contract-based intangible assets are equal to the terms of the agreement.

Interest expense, net. Our interest expense consists of interest on our outstanding indebtedness under our Senior Secured Credit Facility, Mezzanine Notes and Junior Subordinated Notes.

How We Assess Our Business

Merchant Services

Our Merchant Services segment provides comprehensive payment solutions to businesses and organizations. Our Merchant Services segment includes third-party integrated payment solutions as well as traditional payment services across our strategic vertical markets.

Proprietary Software and Related Payments

Our Proprietary Software and Related Payments business delivers embedded payment solutions to our clients through company-owned software. Payments are delivered through both the PayFac model and the traditional merchant processing model. Our Proprietary Software and Related Payments clients are primarily in the education, property management and public sector markets. Our Proprietary Software and Related Payments business is included, along with corporate overhead expenses, in our "Other" category.

For additional information, see Note 11 to our unaudited interim condensed consolidated financial statements and Note 16 in our audited consolidated financial statements included elsewhere in this prospectus.

Key Operating Metrics

We evaluate our performance through key operating metrics, including:

- the dollar volume of payments our clients process through us ("payment volume");
- the portion of our payment volume that is produced by integrated transactions; and
- period-to-period payment volume attrition.

Our payment volume for the six months ended March 31, 2018 and 2017 was \$5.6 billion and \$4.9 billion, respectively, representing a period-to-period growth rate of 14%. For the years ended September 30, 2017 and 2016, our payment volume was \$10.3 billion and \$8.1 billion, respectively, representing a period-to-period growth rate of 27%. We focus on volume, because it is a reflection of the scale and economic activity of our client base and because a significant part of our revenue is derived as a percentage of our clients' dollar volume receipts. Payment volume reflects the addition of new clients and same store payment volume growth of existing clients, partially offset by client attrition during the period.

Integrated payments represents payment transactions that are generated in situations where payment technology is embedded within our own proprietary software, a client's software or critical business process. We evaluate the portion of our payment volume that is produced by integrated transactions because we believe the convergence of software and payments is a significant trend impacting our industry. We believe integrated payments create stronger client relationships with higher payment volume retention and growth. Integrated payments grew to 41% of our payment volume for the six months ended March 31, 2018 from 34% for the six months ended March 31, 2017 and from 23% for the six months ended March 31, 2016, representing period-to-period growth rates of 18% and 48%, respectively. For the years ended September 30, 2017 and 2016, integrated payments were 36% and 28% of our payment volume, respectively, representing a period-to-period growth rate of 28%.

We measure period-to-period payment volume attrition as the change in card-based payment volume for all clients that were processing with us for the same period in the prior year. We exclude from our calculations payment volume from new clients added during the period. We experience attrition in payment volume as a result of several factors, including business closures, transfers of clients' accounts to our competitors and account closures that we initiate due to heightened credit risks. During the six months ended March 31, 2018 and the years ended September 30, 2017 and 2016, we experienced approximately 1% net volume attrition per month.

Results of Operations

This section includes a summary of our historical results of operations, followed by detailed comparisons of our results for (i) the six months ended March 31, 2018 and 2017 and (ii) the years ended September 30, 2017 and 2016. We have derived this data from our interim and annual consolidated financial statements included elsewhere in this prospectus.

Six Months Ended March 31, 2018 Compared to Six Months Ended March 31, 2017

The following table presents our historical results of operations for the periods indicated:

(in thousands)	Six Months ended March 31,		Change	
	2018	2017	Amount	%
Revenue	\$ 154,920	\$ 124,466	\$ 30,454	24.5%
Operating expenses				
Interchange and network fees	102,872	89,116	13,756	15.4%
Other costs of services	19,058	13,615	5,443	40.0%
Selling general and administrative	19,041	12,936	6,105	47.2%
Depreciation and amortization	5,876	5,071	805	15.9%
Change in fair value of contingent consideration	2,129	923	1,206	n/m
Total operating expenses	148,976	121,661	27,315	22.5%
Income from operations	5,944	2,805	3,139	111.9%
Other expenses				
Interest expense, net	5,006	3,243	1,763	54.4%
Change in fair value of warrant liability	8,245	—	8,245	n/m
Total other expenses	13,251	3,243	10,008	308.6%
Income (loss) before income taxes	(7,307)	(438)	(6,869)	n/m
Benefit for income taxes	(139)	(70)	(69)	n/m
Net income (loss)	\$ (7,168)	\$ (368)	\$ (6,800)	n/m

n/m = not meaningful

Revenue

Revenue increased \$30.5 million, or 24.5%, to \$154.9 million for the six months ended March 31, 2018 from \$124.5 million for the six months ended March 31, 2017. This increase was principally driven by acquisitions. Acquisitions completed after March 31, 2017 contributed \$26.3 million of our revenue and \$0.5 billion of our payment volume for the six months ended March 31, 2018. The remaining \$4.2 million of increased revenue was due primarily to a \$0.1 billion increase in payment volume.

Revenue within Merchant Services increased \$28.1 million, or 24.0%, to \$145.2 million for the six months ended March 31, 2018 from \$117.0 million for the six months ended March 31, 2017. Revenue related to a subset of merchant contracts purchased in 2014 and 2017 ("Purchased Portfolios"), which have a higher rate of revenue attrition and payment volume attrition than the rest of our business, decreased \$2.3 million, or 19.1%, to \$9.8 million for the six months ended March 31, 2018 from \$12.1 million for the six months ended March 31, 2017. Excluding revenues from the Purchased Portfolios, revenue within Merchant Services grew \$30.4 million, or 29.0%, for the six months ended March 31, 2018 from the six months ended March 31, 2017.

Revenue within our Other business, comprised primarily of our Proprietary Software and Related Payments, increased \$2.3 million, or 31.4%, to \$9.8 million for the six months ended March 31, 2018 from \$7.4 million for the six months ended March 31, 2017.

Payment volume increased \$0.7 billion, or 14.7%, to \$5.6 billion for the six months ended March 31, 2018 from \$4.9 billion for the six months ended March 31, 2017. Revenues as a percentage of payment volume increased to 2.8% for the six months ended March 31, 2018 from 2.6% for the six months ended March 31, 2017, as acquisitions completed after March 31, 2017 had a greater revenue to payment volume profile than our existing businesses.

Interchange and Network Fees

Interchange and network fees increased \$13.8 million, or 15.4%, to \$102.9 million for the six months ended March 31, 2018 from \$89.1 million for the six months ended March 31, 2017. This increase was driven primarily by a 14.1% increase in payment volume.

Interchange and network fees within Merchant Services increased \$13.3 million, or 15.3%, to \$100.3 million for the six months ended March 31, 2018 from \$87.0 million for the six months ended March 31, 2017. Interchange and network fees related to the Purchased Portfolios decreased \$1.1 million, or 18.7%, to \$4.7 million for the six months ended March 31, 2018 from \$5.7 million for the six months ended March 31, 2017. Excluding revenues from these Purchased Portfolios, interchange and network fees within Merchant Services grew \$14.4 million, or 17.7%, for the six months ended March 31, 2018 from the six months ended March 31, 2017.

Interchange and network fees within our Other business, comprised primarily of our Proprietary Software and Related Payments, increased \$0.5 million, or 22.2%, to \$2.5 million for the six months ended March 31, 2018 from \$2.1 million for the six months ended March 31, 2017.

Other Costs of Services

Other costs of services increased \$5.4 million, or 40.0%, to \$19.1 million for the six months ended March 31, 2018 from \$13.6 million for the six months ended March 31, 2017. Increased payment volume resulted in greater third-party processing costs of \$1.3 million and an increase in residuals paid to our distribution partners of \$1.1 million. The cost of equipment and software also rose \$2.6 million, as the acquisitions of SDCR, Inc. and EMS, Inc. contributed \$2.5 million of the increase in equipment and software costs.

Other costs of services within Merchant Services increased \$5.6 million, or 43.5%, to \$18.5 million for the six months ended March 31, 2018 from \$12.9 million for the six months ended March 31, 2017. Other costs of services related to the Purchased Portfolios decreased \$0.3 million, or 18.2%, to \$1.2 million for the six months ended March 31, 2018 from \$1.4 million for the six months ended March 31, 2017. Excluding revenues from these Purchased Portfolios, other costs of services within Merchant Services grew \$5.9 million, or 51.1%, for the six months ended March 31, 2018 from the six months ended March 31, 2017.

Other costs of services within our Other business, comprised primarily of our Proprietary Software and Related Payments, decreased \$0.2 million, or 22.7%, to \$0.6 million for the six months ended March 31, 2018 from \$0.7 million for the six months ended March 31, 2017. The decrease was due to reduced processing costs and residual expense.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$6.1 million, or 47.2%, to \$19.0 million for the six months ended March 31, 2018 from \$12.9 million for the six months ended March 31, 2017. This increase was primarily driven by an increase in employment costs of \$5.2 million due to an increase in headcount from acquisitions. Increases in software and technological services, rent, telecommunication costs, advertising and marketing expenses comprised the remainder of the increase.

Depreciation and Amortization

Depreciation and amortization increased \$0.8 million, or 15.9%, to \$5.9 million for the six months ended March 31, 2018 from \$5.1 million for the six months ended March 31, 2017. Amortization expense increased \$0.8 million to \$5.5 million for the six months ended March 31, 2018 from \$4.7 million for the six months ended March 31, 2017, primarily due to greater amortization expense resulting from acquisitions such as Fairway and SDCR, Inc., which was partially offset by lower amortization expense for historical acquisitions due to our accelerated method of amortization. Depreciation expense remained consistent at \$0.4 million for the six months ended March 31, 2018 and 2017.

Change in Fair Value of Contingent Consideration

Change in fair value of contingent consideration to be paid in connection with acquisitions was a charge of \$2.1 million for the six months ended March 31, 2018 primarily due to the strong performance of the EZ-Pay and CSC, LLC acquisitions. The change in fair value of contingent consideration for the six months ended March 31, 2017 was a charge of \$0.9 million, primarily due to the strong performance of the Infintech acquisition.

Interest Expense, net

Interest expense, net, increased \$1.8 million, or 54.4%, to \$5.0 million for the six months ended March 31, 2018 from \$3.2 million for the six months ended March 31, 2017. The increase reflects additional borrowings on our Senior Secured Credit Facility used to fund our acquisition activity subsequent to March 31, 2017.

Change in Fair Value of Warrant Liability

The change in fair value of our warrant liabilities corresponds to the value of the warrants issued in connection with our Mezzanine Notes. The fair value of these warrant liabilities increased \$8.2 million for the six months ended March 31, 2018. The change in the fair value of the warrants was due to increased estimated enterprise value resulting from our acquisitions and growth. The change in fair value of the warrant liabilities was nominal for the six months ended March 31, 2017.

Benefit for Income Taxes

Income taxes remained a benefit of \$0.1 million for both the six months ended March 31, 2018 and 2017, respectively. Our effective tax rate was 1.9% for the six months ended March 31, 2018. Our effective tax rate differs from the federal statutory rate because i3 Verticals, LLC is taxed as a partnership and we do not pay federal income taxes. After consummation of the Reorganization Transactions and this offering, i3 Verticals, Inc. will become subject to federal, state and local income taxes with respect to its allocable share of any taxable income of i3 Verticals, LLC and will be taxed at the prevailing corporate tax rates.

Year Ended September 30, 2017 Compared to Year Ended September 30, 2016

The following table presents our historical results of operations for the periods indicated:

(in thousands)	Year ended September 30,		Change	
	2017	2016	Amount	%
Revenue	\$ 262,571	\$ 199,644	\$ 62,927	31.5 %
Operating expenses				
Interchange and network fees	189,112	140,998	48,114	34.1 %
Other costs of services	28,798	21,934	6,864	31.3 %
Selling general and administrative	27,194	20,393	6,801	33.3 %
Depreciation and amortization	10,085	9,898	187	1.9 %
Change in fair value of contingent consideration	(218)	2,458	(2,676)	n/m
Total operating expenses	254,971	195,681	59,290	30.3 %
Income from operations	7,600	3,963	3,637	91.8 %
Other expenses				
Interest expense, net	6,936	5,900	1,036	17.6 %
Change in fair value of warrant liability	(415)	(28)	(387)	n/m
Other (income) expenses	—	(59)	59	n/m
Total other expenses	6,521	5,813	708	12.2 %
Income (loss) before income taxes	1,079	(1,850)	2,929	n/m
Provision for income taxes	177	243	(66)	(27.2)%
Net income (loss)	\$ 902	\$ (2,093)	\$ 2,995	n/m

n/m = not meaningful

Revenue

Revenue increased \$62.9 million, or 31.5%, to \$262.6 million for the year ended September 30, 2017 from \$199.6 million for the year ended September 30, 2016. This increase was principally driven by acquisitions. Acquisitions completed during 2017 contributed \$14.8 million of our revenue and \$0.6 billion of our payment volume for the year ended September 30, 2017. Acquisitions completed during 2016 contributed \$38.4 million revenue and \$1.4 billion payment volume for the year ended September 30, 2017, primarily due to our Axia acquisition. The remaining \$9.8 million in revenue growth was due to an increase in payment volume at our existing businesses.

Revenue within Merchant Services increased \$60.3 million, or 32.1%, to \$248.0 million for the year ended September 30, 2017 from \$187.7 million for the year ended September 30, 2016. Revenue related to the Purchased Portfolios acquired in 2014, which have a higher rate of revenue attrition and payment volume attrition than the rest of our business, decreased \$0.3 million, or 1.4%, to \$23.5 million for the year ended September 30, 2017 from \$23.8 million for the year ended September 30, 2016. The decrease was only 1.4% due to our ability to recognize additional revenues beginning February 2016 pursuant to a one-time change in the contractual terms of the Purchased Portfolios acquired in 2014. For the first four months of the year ended September 30, 2016, we recognized \$1.0 million of revenue each month, or \$4.0 million of revenue in total, whereas from February 2016 to September 2016, we recognized \$19.8 million of revenue produced by the payment volume from the Purchased

Portfolios acquired in 2014. The change in contractual terms continued for all of 2017. Excluding revenues from the Purchased Portfolios acquired in 2014, revenue within Merchant Services grew \$60.6 million, or 37.0%, for the year ended September 30, 2017 from the year ended September 30, 2016.

Revenue within our Other business, comprised primarily of our Proprietary Software and Related Payments, increased \$2.6 million, or 22.1%, to \$14.6 million for the year ended September 30, 2017 from \$11.9 million for the year ended September 30, 2016.

Payment volume increased \$2.1 billion, or 26.1%, to \$10.3 billion for the year ended September 30, 2017 from \$8.1 billion for the year ended September 30, 2016. The \$2.1 billion increase in payment volume reflects the \$1.9 billion increase in payment volume from acquisitions and a \$0.2 billion increase in the payment volume of our existing businesses. Revenue as a percentage of payment volume remained relatively consistent at 2.5% for the year ended September 30, 2017 and 2016.

Interchange and Network Fees

Interchange and network fees increased \$48.1 million, or 34.1%, to \$189.1 million for the year ended September 30, 2017 from \$141.0 million for the year ended September 30, 2016. This increase was driven primarily by increased payment volume as discussed above.

Interchange and network fees within Merchant Services increased \$47.3 million, or 34.4%, to \$185.1 million for the year ended September 30, 2017 from \$137.8 million for the year ended September 30, 2016. Interchange and network fees related to the Purchased Portfolios increased \$1.0 million, or 9.2%, to \$11.4 million for the year ended September 30, 2017 from \$10.4 million for the year ended September 30, 2016. Although the Purchased Portfolios experienced higher payment volume attrition than the rest of our business, interchange and network fees increased due to the change in contractual terms discussed above. For the first four months of the year ended September 30, 2016, we recognized zero interchange and network fees related to the purchased merchant contracts. For the last eight months of the year ended September 30, 2016, we recognized \$10.4 million of interchange and network fees related to the Purchased Portfolios. Excluding revenues from the Purchased Portfolios, interchange and network fees within Merchant Services grew \$46.4 million, or 36.4%, for the year ended September 30, 2017 from the year ended September 30, 2016.

Interchange and network fees within our Other business, comprised primarily of our Proprietary Software and Related Payments, increased \$0.8 million, or 24.2%, to \$4.0 million for the year ended September 30, 2017 from \$3.2 million for the year ended September 30, 2016.

Other Costs of Services

Other costs of services grew in line with revenue as it increased \$6.9 million, or 31.3%, to \$28.8 million for the year ended September 30, 2017 from \$21.9 million for the year ended September 30, 2016. The principal cause of the increase was increased payment volume, which resulted in increased residuals paid to our distribution partners of \$3.2 million and an increase in third-party processing costs of \$2.6 million. Growth in new clients resulted in an increase in the cost of equipment of \$0.6 million and an increase in other customer product costs of \$0.3 million.

Other costs of services within Merchant Services increased \$7.0 million, or 34.6%, to \$27.4 million for the year ended September 30, 2017 from \$20.3 million for the year ended September 30, 2016. Other costs of services related to the Purchased Portfolios increased \$0.3 million, or 11.6%, to \$2.8 million for the year ended September 30, 2017 from \$2.5 million for the year ended September 30, 2016. Although the Purchased Portfolios experienced higher payment volume attrition than the rest of our business, other costs of services increased due to the change in contractual terms discussed above. For the first four months of the year ended September 30, 2016, we recognized zero other costs of services related to the Purchased Portfolios. For the last eight months of the year ended September 30, 2016, we recognized \$2.5 million of other costs of services related to the Purchased Portfolios. Excluding revenues from the Purchased Portfolios, other costs of services within Merchant Services grew \$6.7 million, or 37.8%, for the year ended September 30, 2017 from the year ended September 30, 2016.

Other costs of services within our Other business, comprised primarily of our Proprietary Software and Related Payments, decreased \$0.2 million, or 22.7%, to \$0.6 million for the year ended September 30, 2017 from \$0.5 million for the year ended September 30, 2016. The decrease was due to reduced processing costs and residual expense.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$6.8 million, or 33.3%, to \$27.2 million for the year ended September 30, 2017 from \$20.4 million for the year ended September 30, 2016. This increase was primarily driven by an increase in employment costs of \$3.2 million due to an increase in headcount from acquisitions. We expensed \$1.0 million of a legal settlement that was accrued during the year ended September 30, 2017. We also experienced an increase in professional services and insurance of \$0.7 million. Increases in software and technological services, rent, telecommunication costs, advertising and marketing expenses comprised the remainder of the change.

Depreciation and Amortization

Depreciation and amortization increased \$0.2 million, or 1.9%, to \$10.1 million for the year ended September 30, 2017 from \$9.9 million for the year ended September 30, 2016. Amortization expense remained consistent at \$9.2 million for the years ended September 30, 2017 and 2016. We experienced greater amortization expense resulting from acquisitions such as Axia and Fairway, which was offset by lower amortization expense for historical acquisitions resulting from our accelerated method of amortization. Depreciation expense increased \$0.2 million to \$0.9 million in the year ended September 30, 2017 from \$0.7 million in the year ended September 30, 2016, primarily due to an increase in the amount of POS equipment provided to our clients that we capitalize and depreciate over the expected life of the merchant contract.

Change in Fair Value of Contingent Consideration

Change in fair value of contingent consideration was a gain of \$0.2 million in the year ended September 30, 2017 compared to a charge of \$2.5 million in the year ended September 30, 2016. During 2016, management increased its estimates of contingent consideration to be paid for acquisitions, primarily due to the strong performance of the Infintech and PBS acquisitions. Management estimates of future contingent consideration to be paid remained relatively flat during 2017.

Interest Expense, net

Interest expense, net, increased \$1.0 million, or 17.6%, to \$6.9 million for the year ended September 30, 2017 from \$5.9 million for the year ended September 30, 2016. The increase reflects additional borrowings on our 2016 Senior Secured Credit Facility due to debt used to fund our acquisition activity in 2017 and 2016.

Change in Fair Value of Warrant Liability

The change in fair value of our warrant liabilities corresponds to the value of the warrants issued in connection with our Mezzanine Notes. The fair value of these warrant liabilities decreased \$0.4 million for the year ended September 30, 2017. The Class A units issued in July 2017 in conjunction with the Fairway Payments, LLC acquisition increased our total number of equity units outstanding which decreased the fair value of the warrants. The change in fair value of the warrant liabilities was less than \$0.1 million for the year ended September 30, 2016.

Provision for Income Taxes

The provision for income taxes decreased \$0.1 million, or 27.2%, to less than \$0.2 million for the year ended September 30, 2017 from more than \$0.2 million for the year ended September 30, 2016. Our effective tax rate was 16.4% for the year ended September 30, 2017. Our effective tax rate differs from the federal statutory rate because i3 Verticals, LLC is taxed as a partnership and we do not pay federal income taxes. We use an accelerated method of amortization for our intangible assets as compared to straight-line amortization required for tax purposes, which results in greater pretax income for tax purposes after we complete acquisitions. These amortization differences caused us to have current tax expense of \$0.2 million on a pretax loss of \$1.9 million for the year ended September 30, 2016. After consummation of the Reorganization Transactions and this offering, i3 Verticals, Inc. will become subject to federal, state and local income taxes with respect to its allocable share of any taxable income of i3 Verticals, LLC and will be taxed at the prevailing corporate tax rates.

Seasonality

We have experienced in the past, and may continue to experience, seasonal fluctuations in our revenues as a result of consumer spending patterns. Revenues during the first quarter of the calendar year, which is our second fiscal quarter, tend to decrease in comparison to the remaining three quarters of the calendar year on a same store basis. This decrease is due to the increase in the number and amount of electronic payment transactions related to seasonal retail events, such as holiday and vacation spending. The number of business days in a month or quarter also may affect seasonal fluctuations. Revenue in our education vertical fluctuates with the school calendar. Revenue for our education customers is strongest in August, September, October, January and February, at the start of each semester, and generally weakens throughout the semester, with little revenue in the summer months of June and July. Operating expenses show less seasonal fluctuation, with the result that net income is subject to the same seasonal factors as our revenues. The growth in our business may have partially overshadowed seasonal trends to date, and seasonal impacts on our business may be more pronounced in the future.

Liquidity and Capital Resources

We have historically financed our operations and working capital through net cash from operating activities. As of March 31, 2018, we had \$0.8 million of cash and cash equivalents and available borrowing capacity of \$39.3 million under our Senior Secured Credit Facility. We usually minimize cash balances by making payments on our revolving credit facility to minimize borrowings and interest expense. As previously discussed in "Recent Developments," our new Senior Secured Credit Facility closed on October 30, 2017 and includes a \$40.0 million term loan and a \$110.0 million revolving credit facility.

Our primary cash needs are to fund working capital requirements, invest in our technology infrastructure, fund acquisitions and related contingent consideration, make scheduled principal payments and interest payments on our outstanding indebtedness and pay tax distributions to members. We consistently have positive cash flow provided by operations and expect that our cash flow from operations, current cash and cash equivalents and available borrowing capacity under the Senior Secured Credit Facility will be sufficient to fund our operations and planned capital expenditures and to service our debt obligations for at least the next twelve months. As a holding company, we depend on distributions or loans from i3 Verticals, LLC to access funds earned by our operations. The covenants contained in the Senior Secured Credit Facility may restrict i3 Verticals, LLC's ability to provide funds to i3 Verticals, Inc. See "Risk Factors—Risks Related to Our Indebtedness—Our indebtedness could adversely affect our financial health and competitive position."

Cash Flows

The following table presents a summary of cash flows from operating, investing and financing activities for the following comparative periods.

Six Months Ended March 31, 2018 and 2017

	Six months ended March 31,	
	2018	2017
	(in thousands)	
Net cash provided by operating activities	\$ 9,942	\$ 3,930
Net cash used in investing activities	\$ (30,106)	\$ (6,024)
Net cash provided by (used in) in financing activities	\$ 19,964	\$ (1,513)

Cash Flow from Operating Activities

Net cash provided by operating activities increased \$6.0 million to \$9.9 million for the six months ended March 31, 2018 from \$3.9 million for the six months ended March 31, 2017. The increase in net cash provided by operating activities included an increase in net loss of \$6.8 million, offset by a \$8.2 million increase in change in fair value of warrant liability. Depreciation and amortization expense increased \$0.8 million and non-cash contingent consideration expense from an increase in the original estimate increased \$1.2 million. These increases were offset by a \$0.5 million in benefit from income taxes from the revaluation of deferred taxes related to the newly enacted federal tax reform and an increase in the change in contingent consideration paid in excess of original estimates of \$0.8 million. Working capital increased \$3.5 million, driven by a \$2.3 million reduction in

accounts receivable and a \$2.1 million increase in accrued liabilities, offset by a \$1.6 million decrease in other assets, for the six months ended March 31, 2018 compared to the six months ended March 31, 2017.

Cash Flow from Investing Activities

Net cash used in investing activities increased \$24.1 million to \$30.1 million for the six months ended March 31, 2018 from \$6.0 million for the six months ended March 31, 2017. In the six months ended March 31, 2018, we used \$18.7 million of cash for the acquisition of SDCR, Inc. We used \$9.9 million of cash for other acquisitions, including the acquisition of EMS, Inc. and CS, LLC, the acquisition of residual buyouts and other intangibles. We also used \$0.5 million of cash for capitalized software costs and \$1.0 million of cash for property and equipment expenditures. In the six months ended March 31, 2017, we used \$4.0 million of cash to acquire CSC, LLC and \$1.1 million to acquire a payment portfolio. In the six months ended March 31, 2017, we used \$0.6 million for capitalized software costs, and \$0.3 million for property and equipment expenditures.

Cash Flow from Financing Activities

Net cash provided by financing activities increased \$21.5 million to \$20.0 million for the six months ended March 31, 2018 from a use of \$1.5 million for the six months ended March 31, 2017. The increase in net cash provided by financing activities was primarily the result of increased borrowing from long-term debt to fund acquisitions and contingent consideration.

Year Ended September 30, 2017 and 2016

	Year Ended September 30,	
	2017	2016
	(in thousands)	
Net cash provided by operating activities	\$ 7,730	\$ 10,006
Net cash used in investing activities	\$ (47,903)	\$ (35,154)
Net cash used in financing activities	\$ 37,352	\$ 28,924

Cash Flow from Operating Activities

Net cash provided by operating activities decreased to \$7.7 million for the year ended September 30, 2017 from \$10.0 million for the year ended September 30, 2016. The decrease in net cash provided by operating activities was the result of a \$1.6 million increase in contingent consideration paid in excess of original estimates and a decrease of \$1.1 million in working capital driven by increased accounts receivable from our acquisitions. Net income also increased \$3.0 million, which was offset by \$2.6 million of non-cash charges such as depreciation and amortization and the change in fair value of warrant liabilities and contingent consideration estimates.

Cash Flow from Investing Activities

Net cash used in investing activities increased to \$47.9 million for the year ended September 30, 2017 from \$35.2 million for the year ended September 30, 2016. In 2017, the largest driver of cash used in investing activities related to our \$39.0 million cash payment for the acquisition of Fairway. We also used \$6.8 million of cash for other acquisitions, including purchases of merchant portfolios and residual buyouts, \$1.5 million of cash for capitalized software costs and \$0.6 million of cash for property and equipment expenditures. In 2016, the largest driver of cash used in investing activities was \$27.9 million used to acquire Axia. In 2016, we also used \$4.4 million of cash for other acquisitions, \$2.0 million of cash for capitalized software costs, and \$0.9 million of cash for property and equipment expenditures.

Cash Flow from Financing Activities

Net cash provided by financing activities increased to \$37.4 million for the year ended September 30, 2017 from \$28.9 million for the year ended September 30, 2016. The increase in net cash provided by financing activities was primarily the result of increased borrowing from long-term debt to fund acquisitions and contingent consideration, in addition to increased proceeds for Class A unit issuances.

Senior Secured Credit Facility

In April and July 2016, we entered into the 2016 Senior Secured Credit Facility, for which First Bank served as the administrative agent. The 2016 Senior Secured Credit Facility consisted of term loans in the total principal amount of \$20.0 million and an \$80.0 million revolving line of credit. The 2016 Senior Secured Credit Facility accrued interest, payable monthly, at the prime rate per annum plus a margin of 0.50% to 2.00% (1.50% at September 30, 2017) or at the 30-day LIBOR rate plus a margin of 3.50% to 5.00% (4.50% at September 30, 2017), in each case depending on our ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the 2016 Senior Secured Credit Facility required us to pay unused commitment fees of up to 0.30% (0.25% at September 30, 2017) on any undrawn amounts under the revolving line of credit. Through the April and July 2016 amendments, the maturity date of the 2016 Senior Secured Credit Facility was extended to April 29, 2020. Principal payments of \$1.0 million were due on the last day of each calendar quarter until the maturity date, when all outstanding principal and accrued and unpaid interest were scheduled to be due.

The 2016 Senior Secured Credit Facility was further amended in July 2017 to enable us to purchase Fairway and increase our maximum senior secured debt-to-EBITDA ratio to 3.25 to 1.0 through the fiscal quarter ended June 30, 2016. The maximum senior secured debt-to-EBITDA ratio was scheduled to decrease to 3.0 to 1.0 for the fiscal quarter ended September 30, 2018 and thereafter.

The 2016 Senior Secured Credit Facility was secured by substantially all of our assets. The lenders under the facility held senior rights to collateral and principal repayment over all other creditors.

The provisions of 2016 Senior Secured Credit Facility restricted our ability to make additional borrowings and capital expenditures and required us to maintain certain financial ratios and meet certain non-financial covenants pertaining to our activities during the period covered. We were in compliance with those covenants as of September 30, 2017 and 2016.

As previously discussed, on October 30, 2017, we replaced our 2016 Senior Secured Credit Facility with the Senior Secured Credit Facility. Bank of America serves as administrative agent with Bank of America, Wells Fargo and Fifth Third serving as joint lead arrangers and joint bookrunners. The Senior Secured Credit Facility consists of \$40.0 million in term loans and a \$110.0 million revolving line of credit. The Senior Secured Credit Facility accrues interest, payable monthly, at the prime rate per annum plus a margin of 0.50% to 2.00% (currently 2.00%) or at the 30-day LIBOR rate plus a margin of 2.75% to 4.00% (currently 4.00%), in each case depending on the ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the Senior Secured Credit Facility requires us to pay unused commitment fees of up to 0.30% on any undrawn amounts under the revolving line of credit. Principal payments of \$1.3 million are due on the last day of each calendar quarter until the maturity date, when all outstanding principal and accrued and unpaid interest will be due. The maturity date of the Senior Secured Credit Facility is the earlier of October 30, 2022 or 181 days before the maturity date of the Mezzanine Notes. The Senior Secured Credit Facility contains customary affirmative and negative covenants, including financial covenants requiring maintenance of a senior secured debt-to-EBITDA ratio (as defined in the governing agreement), not exceeding the amounts reflected in the schedule below.

Calendar Year	March 31	June 30	September 30	December 31
2018	3.50 to 1.0	3.50 to 1.0	3.50 to 1.0	3.25 to 1.0
2019	3.25 to 1.0	3.25 to 1.0	3.25 to 1.0	3.25 to 1.0
2020	3.25 to 1.0	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0
thereafter	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0

The Senior Secured Credit Facility also includes a financial covenant requiring maintenance of a consolidated debt-to-EBITDA ratio (as defined in the governing agreement), not exceeding the amounts reflected in the schedule below.

Calendar Year	March 31	June 30	September 30	December 31
2017	N/A	N/A	N/A	4.50 to 1.0
2018	4.50 to 1.0	4.50 to 1.0	4.50 to 1.0	4.25 to 1.0
2019	4.25 to 1.0	4.25 to 1.0	4.25 to 1.0	4.25 to 1.0
2020	4.25 to 1.0	4.00 to 1.0	4.00 to 1.0	4.00 to 1.0
thereafter	4.00 to 1.0	4.00 to 1.0	4.00 to 1.0	4.00 to 1.0

The Senior Secured Credit Facility contains provisions detailing a leverage increase period during which the required debt-to-EBITDA ratios set forth above will be increased by 0.25 for each of the four fiscal quarters immediately following a "Qualified Acquisition," as defined therein, commencing with the fiscal quarter during which the acquisition was completed. We used proceeds from the Senior Secured Credit Facility to complete the SDCR, Inc., CS, LLC, and EMS, Inc. acquisitions. With the completion of the SDCR, Inc. acquisition, we received a step-up for the purposes of calculating our debt-to-EBITDA ratio; as of March 31, 2018, our maximum senior secured debt-to-EBITDA ratio is 3.75 to 1.0 and our maximum consolidated debt-to-EBITDA ratio is 4.75 to 1.0. As of March 31, 2018, we had \$37.5 million of term loans outstanding, with \$70.8 million outstanding and \$39.3 million of available capacity under our revolving line of credit.

All obligations under the Senior Secured Credit Facility are fully and unconditionally secured by pledged equity interests and security interests in substantially all of our assets.

The provisions of the Senior Secured Credit Facility place certain restrictions and limitations upon the Company. These include, among others, restrictions on liens, investments, indebtedness, fundamental changes and dispositions; maintenance of certain financial ratios; and certain non-financial covenants pertaining to the activities of the Company during the period covered. The Company was in compliance with such covenants as of March 31, 2018. In addition, the Senior Secured Credit Facility restricts our ability to make dividends or other distributions to the holders of our equity. We are permitted to:

- a. make cash distributions to the holders of our equity in order to pay taxes incurred by owners of equity in i3 Verticals, LLC, by reason of such ownership,
- b. move intercompany cash between subsidiaries that are joined to the Senior Secured Credit Facility,
- c. use up to \$1.5 million per year to repurchase equity from employees, directors, officers or consultants after the restructuring of the Company in connection with this offering, and
- d. make other dividends or distributions in an aggregate amount not to exceed 5% of the net cash proceeds received from any additional common equity issuance after our initial public offering.

We are also permitted to make noncash dividends in the form of additional equity issuances. The Senior Secured Credit Facility prohibits all other forms of dividends or distributions.

Mezzanine Notes

During 2013, we issued notes payable in the aggregate principal amount of \$10.5 million (the Mezzanine Notes) to three related creditors (the Mezzanine Lenders). The Mezzanine Notes accrue interest at a fixed annual rate of 12.0%, payable monthly, and initially were due to mature in February 2018. In April 2016, the Mezzanine Notes were amended and restated and the maturity date was extended to November 29, 2020, when all outstanding principal and accrued and unpaid interest will be due. The Mezzanine Notes are secured by substantially all of our assets in accordance with the terms of the security agreement and are subordinate to the Senior Secured Credit Facility. In connection with the issuance of the Mezzanine Notes, we issued 1,424 warrants to purchase common units of i3 Verticals, LLC (the "Mezzanine Warrants").

The provisions of the Mezzanine Notes restrict our ability to make additional borrowings and capital expenditures and require us to maintain certain financial ratios and meet certain non-financial covenants pertaining to our activities during the period covered. We were in compliance with those covenants as of March 31, 2018. The Mezzanine Lenders participated in the June 2016 and July 2017 Class A unit offerings described below. For additional information, see Note 13 in our audited consolidated financial statements included elsewhere in this prospectus.

We intend to cause i3 Verticals, LLC to use a portion of the net proceeds from this offering to repay all amounts outstanding under the Mezzanine Notes. See “Certain Relationships and Related Party Transactions—Certain Interests of Management and Directors in the Reorganization Transactions.”

Junior Subordinated Notes

During 2014, we issued the Junior Subordinated Notes payable in the aggregate principal amount of \$17.6 million to unrelated and related creditors. The Junior Subordinated Notes accrue interest, payable monthly, at a fixed rate of 10.0% per annum and mature on February 14, 2019, when all outstanding principal and accrued and unpaid interest will be due. However, the Junior Subordinated Notes are subordinated to the Mezzanine Notes and the Senior Secured Credit Facility, which both are scheduled to mature after the Junior Subordinated Notes are scheduled to mature. Because the provisions of the Mezzanine Notes and Senior Secured Credit Facility do not permit the payment of any subordinated debt before their maturity, the maturity date of the Junior Subordinated Notes will (if not repaid earlier as described below) be extended beyond the maturity dates of the Mezzanine Notes and the Senior Secured Credit Facility. In June 2016, \$1.0 million of the Junior Subordinated Notes held by Greg Daily were retired and exchanged for 309,598 Class A units. In July 2017, \$0.5 million of the Junior Subordinated Notes held by Greg Daily were retired and exchanged for 147,929 Class A units.

At March 31, 2018, \$16.1 million of the Junior Subordinated Notes remained outstanding.

We intend to cause i3 Verticals, LLC to use a portion of the net proceeds from this offering to repay all amounts outstanding under the Junior Subordinated Notes. See “Certain Relationships and Related Party Transactions—Certain Interests of Management and Directors in the Reorganization Transactions.”

Class A Units Offerings

As noted above, during March 2016, an existing \$1.0 million unsecured convertible note payable to Mr. Daily was converted into 1,000,000 Class A units of i3 Verticals, LLC at a price of \$1.00 per unit pursuant to the provisions of the note.

During June 2016, we raised \$9.0 million from the issuance of a total of 2,786,378 Class A units at a price of \$3.23 per unit in a private offering. As noted above, during June 2016, \$1.0 million of the Junior Subordinated Notes held by Mr. Daily were retired and converted into 309,598 Class A units at a price of \$3.23 per unit. The fair value of the Class A units we issued approximated the carrying amount of the Junior Subordinated Notes, and we recognized no extinguishment gain or loss.

During July 2017, we raised \$12.5 million from the issuance of a total of 3,698,225 Class A units at a price of \$3.38 per unit in a private offering. As noted above, during July 2016, \$0.5 million of the Junior Subordinated Notes held by Mr. Daily were converted into 147,929 Class A units at a price of \$3.38 per unit. The fair value of the Class A units we issued approximated the carrying amount of the Junior Subordinated Notes, and we recognized no extinguishment gain or loss.

Contractual Obligations

There are no contractual commitments other than leases and borrowings that amount to, individually or in the aggregate, more than 3% of revenue earned in the year ended September 30, 2017.

The following table summarizes our contractual obligations and commitments as of September 30, 2017 related to leases and borrowings:

Contractual Obligations (in thousands)	Payments Due by Period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Processing minimums ^(a)	\$ 7,559	\$ 4,959	\$ 2,600	\$ —	\$ —
Facility leases	5,588	1,040	1,970	1,356	1,222
2016 Senior Secured Credit Facility and related interest ^(b)	98,422	8,968	89,454	—	—
Unsecured notes payable to related and unrelated creditors and related interest ^(c)	18,354	1,633	16,721	—	—
Notes payable to Mezzanine Lenders and related interest ^(d)	14,547	1,278	2,559	10,710	—
Contingent consideration ^(e)	3,340	2,229	1,111	—	—
Total	\$ 147,810	\$ 20,107	\$ 114,415	\$ 12,066	\$ 1,222

- (a) We have non-exclusive agreements with several processors to provide us services related to transaction processing and transmittal, transaction authorization and data capture, and access to various reporting tools. Certain of these agreements require us to submit a minimum monthly number of transactions for processing. If we submit a number of transactions that is lower than the minimum, we are required to pay to the processor the fees it would have received if we had submitted the required minimum number of transactions.
- (b) We estimated interest payments through the maturity of our 2016 Senior Secured Credit Facility by applying the interest rate of 5.75% in effect on our revolver as of September 30, 2017, plus an unused fee rate of 0.25%. On October 30, 2017, we replaced our 2016 Senior Secured Credit Facility with the Senior Secured Credit Facility.
- (c) We estimated interest payments through the maturity of our Junior Subordinated Notes by applying the applicable interest rate of 10.0%.
- (d) We estimated interest payments through the maturity of our Mezzanine Notes by applying the applicable interest rate of 12.0%. As of September 30, 2017, there were 1,424 Mezzanine Warrants outstanding and exercisable to purchase common units in i3 Verticals, LLC. The intrinsic value of the Mezzanine Warrants was \$767 as of September 30, 2017. For additional information, see Note 5 in our audited consolidated financial statements included elsewhere in this prospectus.
- (e) In connection with certain of our acquisitions, we may be obligated to pay the seller of the acquired entity certain amounts of contingent consideration as set forth in the relevant purchasing documents, whereby additional consideration may be due upon the achievement of certain specified financial performance targets. i3 Verticals, Inc. accounts for the fair values of such contingent payments in accordance with the Level 3 financial instrument fair value hierarchy at the close of each subsequent reporting period. The acquisition-date fair value of contingent consideration is valued using a Monte Carlo simulation. i3 Verticals, Inc. subsequently reassesses such fair value based on probability estimates with respect to the acquired entity's likelihood of achieving the respective financial performance targets.

Potential payments under the Tax Receivable Agreement are not reflected in this table. See “—Tax Receivable Agreement” below and “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.”

Tax Receivable Agreement

Upon the closing of this offering, we will be a party to the Tax Receivable Agreement with i3 Verticals, LLC and each of the Continuing Equity Owners, as described under “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.” As a result of the Tax Receivable Agreement, we may be required to establish a liability in our consolidated financial statements. That liability, which will increase upon the redemptions or exchanges of common units for our Class A common stock, generally represents 85% of the estimated future tax benefits, if any, relating to the increase in tax basis associated with the common units we receive as a result of the Reorganization Transactions and other redemptions or exchanges by holders of common units. If this election is made, the accelerated payment will be based on the present value of 100% of the estimated future tax benefits and, as a result, the associated liability reported on our consolidated financial statements may be increased. We expect that the payments required under the Tax Receivable Agreement will be substantial. The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of redemptions or exchanges by the holders of common units, the price of our Class A common stock at the time of the redemption or exchange, whether such redemptions or exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable as well as the portion of our payments under the Tax Receivable Agreement constituting imputed interest. We intend to fund the payment of the amounts due under the Tax Receivable

Agreement out of the cash savings that we actually realize in respect of the attributes to which Tax Receivable Agreement relates. For more information about the Tax Receivable Agreement, see "Certain Relationships and Related Party Transactions—Tax Receivable Agreement" and "Unaudited Pro Forma Consolidated Financial Information."

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates including those related to revenue recognition, goodwill and intangible assets, derivative financial instruments, and equity-based compensation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The accounting policies we believe to be most critical to understanding our financial condition and results of operations are discussed below.

Emerging Growth Company

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make a comparison of our financial statements with the financial statements of a public company that is not an emerging growth company, or the financial statements of an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

Accounts Receivable and Credit Policies

Accounts receivable consist primarily of uncollateralized credit card processing residual payments due from processing banks requiring payment within thirty days following the end of each month. Accounts receivable also include amounts due from the sales of our technology solutions to our clients. The carrying amount of accounts receivable is reduced by an allowance for doubtful accounts, if necessary, which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of our clients, historical loss experience and existing economic conditions. Accounts receivable and the allowance are written-off when, in management's opinion, all collection efforts have been exhausted. Our allowance for doubtful accounts was \$461,000 and \$244,000 as of September 30, 2017, and 2016, respectively, however, actual write-offs may exceed estimated amounts.

Settlement Assets and Obligations

Settlement assets and obligations result when we temporarily hold or owe funds on behalf of our clients. Timing differences, interchange expense, merchant reserves and exceptional items cause differences between the amount received from the card networks and the amount funded to counterparties. These balances arising in the settlement process are reflected as settlement assets and obligations on the accompanying consolidated balance sheets. With the exception of merchant reserves, settlement assets or settlement obligations are generally

collected and paid within one to four days. As of September 30, 2017, and 2016, settlement assets and settlement obligations were both \$5.2 million and \$4.4 million, respectively.

Property and Equipment

Property and equipment are stated at cost or, if acquired through a business acquisition, fair value at the date of acquisition. Depreciation and amortization are provided over the assets' estimated useful lives (or if obtained in connection with a business acquisition, over the estimated remaining useful lives) using the straight-line method, except for leasehold improvements, which are depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. Management reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. We recognize impairment when the sum of undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value of the asset. There were no impairment charges during the years ended September 30, 2017 and 2016.

Capitalized Software

Development costs for software to be sold or leased to customers are capitalized once technological feasibility of the software product has been established. Costs incurred prior to establishing technological feasibility are expensed as incurred. Technological feasibility is established when we have completed a detailed program design and has determined that a product can be produced to meet its design specifications, including functions, features and technical performance requirements. Capitalization of costs ceases when the product is generally available to clients. Software development costs are amortized using the greater of the straight-line method or the usage method over its estimated useful life, which is estimated to be three years.

Software development costs may become impaired in situations where development efforts are abandoned due to the viability of a planned project becoming doubtful or due to technological obsolescence of a planned software product. Management evaluates the remaining useful lives and carrying values of capitalized software at least annually or when events and circumstances warrant such a review, to determine whether significant events or changes in circumstances indicate that impairment in value may have occurred. To the extent the estimated net realizable values, which is estimated to equal future undiscounted cash flows, exceed the carrying value, no impairment is necessary. If the estimated net realizable values are less than the carrying value, an impairment charge is recorded. Impairment charges during the year ended September 30, 2017 were nominal and there were no impairment charges during the year ended September 30, 2016.

Identifiable software technology intangible assets resulting from acquisitions are amortized using the straight-line method over periods not exceeding their remaining estimated useful lives. GAAP requires that intangible assets with estimated useful lives be amortized over their respective estimated useful lives to their residual values, and reviewed for impairment. Acquisition technology intangibles' net book values are included in Capitalized software, net in the accompanying consolidated balance sheets.

Acquisitions

Business acquisitions have been recorded using the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations*, and, accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair value as of the date of acquisition. Where relevant, the fair value of contingent consideration included in an acquisition is calculated using a Monte Carlo simulation. For a discussion of the estimate methodology and the significance of various inputs, please see the subheading below titled "Use of Estimates." The fair value of merchant relationships and non-compete assets acquired is identified using the Income Approach. The fair value of trade names acquired is identified using the Relief from Royalty Method. After the purchase price has been allocated, goodwill is recorded to the extent the total consideration paid for the acquisition, including the acquisition date fair value of contingent consideration, if any, exceeds the sum of the fair values of the separately identifiable acquired assets and assumed liabilities. Acquisition costs for business combinations are expensed when incurred and recorded in selling general and administrative expenses in the accompanying consolidated statements of operations.

Acquisitions not meeting the accounting criteria to be accounted for as a business combination are accounted for as an asset acquisition. An asset acquisition is recorded at its purchase price, inclusive of acquisition costs, which are allocated among the acquired assets and assumed liabilities based upon their relative fair values at the date of acquisition.

The operating results of an acquisition are included in our consolidated statements of operations from the date of such acquisition. Acquisitions completed during the year ended September 30, 2017 contributed \$14.8 million and \$2.2 million of revenue and net income, respectively, to the results in our consolidated statements of operations for the year then ended. Acquisitions completed during the year ended September 30, 2016 contributed \$38.0 million and \$2.2 million of revenue and net income, respectively, to the results in the Company's consolidated statements of operations for the year then ended.

Goodwill

In January 2014, the FASB issued Accounting Standards Update ("ASU") 2014-02 related to the accounting for goodwill by private companies. Under this guidance, private companies may elect to amortize goodwill over 10 years, or less than 10 years if the entity can demonstrate that another useful life is more appropriate, and to test goodwill for impairment only upon occurrence of a triggering event that indicates that the book value of the entity may exceed the fair value of the entity, as opposed to testing goodwill for impairment at least annually under prior accounting guidance. The accounting guidance is effective for fiscal years beginning after December 15, 2014 and early adoption is permitted.

On January 1, 2013, we adopted ASU 2014-02 related to the accounting for goodwill by private companies. However, as we now meet the definition of a public business entity and are precluded from accounting for our goodwill under ASU 2014-02, we have revised our consolidated financial statements and now apply the provisions of ASC 350, *Intangibles—Goodwill and Other* in accounting for goodwill.

Our goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in business combinations. The goodwill generated from the business combinations is primarily related to the value placed on the employee workforce and expected synergies. Goodwill is tested for impairment at least annually in the fourth quarter and between annual tests if there are indicators of impairment that suggest a decline in the fair value of a reporting unit. Judgment is involved in determining if an indicator or change in circumstances relating to impairment has occurred. Such changes may include, among others, a significant decline in expected future cash flows, a significant adverse change in the business climate, and unforeseen competition. No goodwill impairment charges were recognized during the years ended September 30, 2017 and 2016.

We have the option of performing a qualitative assessment of impairment to determine whether any further quantitative testing for impairment is necessary. The option of whether or not to perform a qualitative assessment is made annually and may vary by reporting unit. Factors we consider in the qualitative assessment include general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of our reporting units, events or changes affecting the composition or carrying amount of the net assets of our reporting units, sustained decrease in our share price, and other relevant entity specific events. If we determine not to perform the qualitative assessment or if we determine, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying value, then we perform a quantitative test for that reporting unit. The fair value of each reporting unit is compared to the reporting unit's carrying value, including goodwill. Subsequent to the adoption on January 1, 2017 of ASU No. 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment*, if the fair value of a reporting unit is less than its carrying value, we recognize an impairment equal to the excess carrying value, not to exceed the total amount of goodwill allocated to that reporting unit.

For a discussion of the estimate methodology and the significance of various inputs, please see the subheading below titled "Use of Estimates."

We have determined that we have eight reporting units. For the years ended September 30, 2017 and 2016, we performed a quantitative assessment for each of our reporting units. We determined that none of the reporting units were impaired. Material goodwill does not exist at reporting units that are at risk of failing our quantitative test of their fair value.

Intangible Assets

Intangible assets include acquired merchant relationships, residual buyouts, trademarks, tradenames, website development costs and non-compete agreements. Merchant relationships represent the fair value of customer relationships we purchased. Residual buyouts represent the right to not have to pay a residual to an independent sales agent related to certain future transactions of the agent's referred merchants.

We amortize definite lived identifiable intangible assets using a method that reflects the pattern in which the economic benefits of the intangible asset are expected to be consumed or otherwise utilized. The estimated useful lives of our customer-related intangible assets approximate the expected distribution of cash flows, whether straight-line or accelerated, generated from each asset. The useful lives of contract-based intangible assets are equal to the terms of the agreement.

Management evaluates the remaining useful lives and carrying values of long lived assets, including definite lived intangible assets, at least annually or when events and circumstances warrant such a review, to determine whether significant events or changes in circumstances indicate that a change in the useful life or impairment in value may have occurred. There were no impairment charges during the years ended September 30, 2017 and 2016.

Income Taxes

i3 Verticals, LLC and its subsidiaries are limited liability companies and have elected to be taxed as a partnership for income tax purposes. As such, any income (losses) flow through to the individual members of i3 Verticals, LLC and they are taxed accordingly. Some states have enacted statutes that treat partnerships as taxable entities for state income tax purposes. Thus, partnerships formed in these states or operating in these states may be subject to taxation on income generated within the states' boundaries.

The amount provided for state income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the consolidated financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws.

Under GAAP, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. We have no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

Valuation of Contingent Consideration

On occasion, we may have acquisitions which include contingent consideration. Accounting for business combinations requires us to estimate the fair value of any contingent purchase consideration at the acquisition date. For a discussion of the estimate methodology and the significance of various inputs, please see the subheading below titled "Use of Estimates." Changes in estimates regarding the fair value contingent purchase consideration are reflected as adjustments to the related liability and recognized within operating expenses in the consolidated statements of operations. Short and long-term contingent liabilities are presented within accrued expenses and other current liabilities and other long-term liabilities on our consolidated balance sheets, respectively.

Classification of Financial Instruments

We classify certain financial instruments issued as either equity or as liabilities. Determination of classification is based upon the underlying properties of the instrument. See specific discussion regarding the nature of instruments issued, the presentation on the consolidated financial statements and the related valuation method applied in Notes 9, 11, 12 and 13 in our audited consolidated financial statements included elsewhere in this prospectus.

Revenue Recognition and Deferred Revenue

Revenue is recognized when it is realized or realizable and earned, in accordance with ASC 605, *Revenue Recognition* ("ASC 605"). Recognition occurs when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the seller's price to the

buyer is fixed or determinable; and (4) collectability is reasonably assured. We accrue for rights of refund, processing errors or penalties, or other related allowances based on historical experience.

More than 85% of our gross revenue for the years ended September 30, 2017 and 2016 is derived from volume-based payment processing fees ("discount fees") and other related fixed transaction or service fees. The remainder is comprised of sales of software licensing subscriptions, ongoing support, and other POS-related solutions we provide to our clients directly and through our processing bank relationships.

Discount fees represent a percentage of the dollar amount of each credit or debit transaction processed. Discount fees are recognized at the time the clients' transactions are processed. We follow the requirements of ASC 605-45 Revenue Recognition—Principal Agent Considerations ("ASC 605-45"), in determining our client processing services revenue reporting. Generally, where we have control over client pricing, merchant portability, credit risk and ultimate responsibility for the client, revenues are reported at the time of sale on a gross basis equal to the full amount of the discount charged to the client. This amount includes interchange fees paid to card issuing banks and assessments paid to payment card networks pursuant to which such parties receive payments based primarily on processing volume for particular groups of clients. Revenues generated from merchant portfolios where we do not have control over merchant pricing, liability for merchant losses or credit risk or rights of portability are reported net of interchange and other fees.

Revenues are also derived from a variety of fixed transaction or service fees, including authorization fees, convenience fees, statement fees, annual fees, and fees for other miscellaneous services, such as handling chargebacks. Revenues derived from service fees are recognized at the time the services are performed and there are no further performance obligations. Revenue from the sale of equipment is recognized upon transfer of ownership and delivery to the customer, after which there are no further performance obligations.

Revenues from sales of our software licensing subscriptions are recognized when they are realized or realizable and earned. Revenue is considered realized and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable and collection of the resulting receivable is reasonably assured. Contractual arrangements are evaluated for indications that multiple element arrangements may exist including instances where more-than-incidental software deliverables are included. Arrangements may contain multiple elements, such as hardware, software products, maintenance, and professional installation and training services. Revenues are allocated to each element based on the selling price hierarchy. The selling price for a deliverable is based on vendor specific objective evidence of selling price, if available, third party evidence, or estimated selling price. We establish estimated selling price, based on the judgment of our management, considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and the product life cycle. In arrangements with multiple elements, we determine allocation of the transaction price at inception of the arrangement based on the relative selling price of each unit of accounting.

In multiple element arrangements where more-than-incidental software deliverables are included, we applied the residual method to determine the amount of software license revenues to be recognized. Under the residual method, if fair value exists for undelivered elements in a multiple-element arrangement, such fair value of the undelivered elements is deferred with the remaining portion of the arrangement consideration recognized upon delivery of the software license or services arrangement. We allocate the fair value of each element of a software related multiple-element arrangement based upon its fair value as determined by vendor specific objective evidence of selling price, with any remaining amount allocated to the software license. If evidence of the fair value cannot be established for the undelivered elements of a software arrangement, then the entire amount of revenue under the arrangement is deferred until these elements have been delivered or objective evidence can be established. These amounts, if any, are included in deferred revenue in the consolidated balance sheets. Revenues related to software licensing subscriptions, maintenance or other support services with terms greater than one month are recognized ratably over the term of the agreement.

Interchange and Network Fees and Other Cost of Services

Interchange and network fees consist primarily of fees that are directly related to discount fee revenue. These include interchange fees paid to issuers and assessment fees payable to card associations, which are a percentage of the processing volume we generate from Visa and Mastercard, as well as fees charged by card-issuing banks. Other costs of services include costs directly attributable to processing and bank sponsorship costs, which may not be based on a percentage of volume. These costs also include related costs such as residual

payments to sales groups, which are based on a percentage of the net revenues generated from client referrals. In certain client processing bank relationships we are liable for chargebacks against a client equal to the volume of the transaction. Losses resulting from chargebacks against a client are included in other cost of services on the accompanying consolidated statement of operations. We evaluate our risk for such transactions and estimate our potential loss from chargebacks based primarily on historical experience and other relevant factors. The reserve for client losses is included within accrued expenses and other current liabilities on the accompanying consolidated balance sheets. The cost of equipment sold is also included in other cost of services. Interchange and other costs of services are recognized at the time the client's transactions are processed.

We account for all governmental taxes associated with revenue transactions on a net basis.

Equity-based Compensation

We account for grants of equity awards to employees in accordance with ASC 718, Compensation—Stock Compensation. This standard requires compensation expense to be measured based on the estimated fair value of the share-based awards on the date of grant and recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

For the six months ended March 31, 2018 and 2017, and the years ended September 30, 2017 and 2016, we recognized no equity-based compensation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, the value of purchase consideration paid and identifiable assets acquired and assumed in acquisitions, goodwill and intangible asset impairment review, warrant valuation, revenue recognition for multiple element arrangements, loss reserves, assumptions used in the calculation of equity-based compensation and in the calculation of income taxes, and certain tax assets and liabilities as well as the related valuation allowances. Actual results could differ from those estimates.

Below is a summary of our critical accounting estimates for which the nature of management's assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and for which the impact of the estimates and assumptions on our financial condition or operating performance is material.

Contingent Consideration in Acquisitions

On occasion, we may have acquisitions that include contingent consideration. Accounting for business combinations requires us to estimate the fair value of any contingent purchase consideration at the acquisition date. Where relevant, the fair value of contingent consideration included in an acquisition is calculated using a Monte Carlo simulation.

The contingent consideration is revalued each period until it is settled. Management reviews the historical and projected performance of each acquisition with contingent consideration and uses an income probability method to revalue the contingent consideration. The revaluation requires management to make certain assumptions and represent management's best estimate at the valuation date. The probabilities are determined based on a management review of the expected likelihood of triggering events that would cause a change in the contingent consideration paid.

Goodwill

We test goodwill for impairment using a fair value approach at least annually, absent some triggering event that would require an interim impairment assessment. Absent any impairment indicators, we perform our goodwill impairment testing as of July 1 each year.

In our goodwill impairment review, we use significant estimates and assumptions that include the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units and

determining the fair value of each reporting unit. Our assessment of qualitative factors involves significant judgments about expected future business performance and general market conditions. In a quantitative assessment, the fair value of each reporting unit is determined based on a combination of techniques, including the present value of future cash flows, applicable multiples of competitors and multiples from sales of like businesses, and requires us to make estimates and assumptions regarding discount rates, growth rates and our future long-term business plans. Changes in any of these estimates or assumptions could materially affect the determination of fair value and the associated goodwill impairment charge for each reporting unit.

Warrant Valuation

As of March 31, 2018, there were 1,424 Mezzanine Warrants outstanding and exercisable to purchase common units of i3 Verticals, LLC. The Mezzanine Warrants are mandatorily redeemable and embody a conditional obligation to redeem the instrument by a transfer of assets. The Mezzanine Warrants are remeasured at each reporting date through the settlement of the instrument and changes in value are reflected in earnings.

We use the Black-Scholes option pricing model to determine the fair market value of the Mezzanine Warrants at each reporting date. The option pricing model requires the input of highly subjective assumptions, including our estimated enterprise value, expected term of the warrants, expected volatility, risk-free interest rates and discount for lack of marketability. To determine the fair value of the Mezzanine Warrants, we engage an outside consultant to prepare a valuation of the unit price at each reporting period, using information provided by management and information obtained from private and public sources. The fair market value of the Mezzanine Warrants was \$9.0 million as of March 31, 2018 and \$0.8 million as of September 30, 2017.

We use an expected volatility based on the historical volatilities of a group of guideline companies and estimated a liquidity event in June 2018 to determine the term of the Mezzanine Warrants. The risk-free interest rates are obtained from publicly available U.S. Treasury yield curve rates. The discount for lack of marketability was determined using the Finnerty Model.

Based on our analysis, the most highly sensitive input in our option pricing model relates to management's forecasted earnings. For example, if management's forecasted earnings increases, we would record additional losses from the change in fair value of warrant liability. Conversely, if management's forecasted earnings decreases, we would record a gain from change in fair value of warrant liability. Other inputs such as expected volatility and the risk free interest rate will have a less material impact of the valuation of the warrant liability.

Related Parties

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-dealing markets may not exist. A description of related-party transactions is provided in Note 20 in our audited consolidated financial statements included elsewhere in this prospectus.

Recently Issued Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment* (Topic 350), which removes step two of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. For public companies, this ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019, but early adoption is permitted for impairment tests after January 1, 2017. We have adopted this standard as of January 1, 2017. There was no impact on our 2017 consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations: Clarifying the Definition of a Business* (Topic 805). This ASU clarifies the definition of a business when evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. For public companies, this ASU is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted. We have adopted this standard for the year ended September 30, 2017. There was no impact on our 2017 consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash* (Topic 230). The amendments in ASU 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash

equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. As an emerging growth company, we will not be required to adopt this ASU until October 1, 2019. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. We are currently evaluating the impact of the adoption of this principle on our consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (Topic 230). The update clarifies how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. The effective date of this update is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. As an emerging growth company, the Company will not be required to adopt this ASU until October 1, 2019. The update requires retrospective application to all periods presented but may be applied prospectively if retrospective application is impracticable. We are currently evaluating the impact of the adoption of this principle on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU amends the existing guidance by recognizing all leases, including operating leases, with a term longer than twelve months on the balance sheet and disclosing key information about the lease arrangements. The effective date of this update is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. As a public business entity, we are an emerging growth company and have elected to use the extended transition period provided for such companies. As a result, we will not be required to adopt this ASU until October 1, 2020. The update requires modified retrospective transition, which requires application of the ASU at the beginning of the earliest comparative period presented in the year of adoption. We are currently evaluating the impact of the adoption of this principle on our consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Simplifying the Accounting for Measurement—Period Adjustments* (Topic 805), which eliminates the requirement for an acquirer to retrospectively adjust the financial statements for measurement-period adjustments that occur in periods after the business combination is consummated. We have adopted this standard for the year ended September 30, 2016. There was no impact on our 2016 or 2017 consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* (Topic 606). The ASU supersedes the revenue recognition requirements in ASC 605. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard, as amended, is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. As an emerging growth company, we will not be required to adopt this ASU until October 1, 2019. The amendment allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. We have formed a project team and are currently assessing the impact of the adoption of this principle on our consolidated financial statements.

Off-Balance Sheet Arrangements

We have no off-balance sheet financing arrangements.

Effects of Inflation

While inflation may impact our revenues and cost of services, we believe the effects of inflation, if any, on our results of operations and financial condition have not been significant. However, there can be no assurance that our results of operations and financial condition will not be materially impacted by inflation in the future.

Quantitative and Qualitative Disclosure About Market Risk

Interest Rate Risk

As of September 30, 2017, we had borrowings outstanding of \$85.6 million under the 2016 Senior Secured Credit Facility. The 2016 Senior Secured Credit Facility accrued interest, payable monthly, at prime plus a margin of 0.50% to 2.00% or at the 30-day LIBOR rate plus a margin of 3.50% to 5.00%, in each case depending on the ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the Senior Secured Credit Facility required us to pay unused commitment fees of up to 0.30% on any undrawn amounts under the revolving line of credit. A 1.0% increase or decrease in the interest rate applicable to the 2016 Senior Secured Credit Facility (which is the LIBOR rate) would have had a \$0.9 million impact on the results of the business.

We have outstanding borrowings under our Senior Secured Credit Facility and may incur additional borrowings from time to time for general corporate purposes, including working capital and capital expenditures. As of March 31, 2018, the interest rate applicable to the senior secured term loan is, at our option, equal to either (1) the Eurocurrency option with an effective rate of LIBOR plus a margin of 2.75% to 4.00% or (2) the alternative base rate with an effective rate of the prime rate plus a margin of 0.50% to 2.00%. In the case of both the LIBOR borrowings or base rate borrowings, the margin rate is determined by a ratio of our consolidated debt to EBITDA.

As of March 31, 2018, we had borrowings outstanding of \$108.3 million under the Senior Secured Credit Facility. A 1.0% increase or decrease in the interest rate applicable to such borrowing (which is the LIBOR rate) would have a \$1.1 million impact on the results of the business.

Foreign Currency Exchange Rate Risk

Invoices for our services are denominated in U.S. dollars. We do not expect our future operating results to be significantly affected by foreign currency transaction risk.

Our Company

Recognizing the convergence of software and payments, i3 Verticals was founded in 2012 with the purpose of delivering seamless integrated payment and software solutions to SMBs and organizations in strategic vertical markets. Since commencing operations, we have built a broad suite of payment and software solutions that address the specific needs of SMBs and other organizations in our strategic vertical markets, and we believe our suite of solutions differentiates us from our competition. Our primary strategic vertical markets include education, non-profit, public sector, property management and healthcare. These vertical markets are large, growing and tend to have increasing levels of electronic payments adoption compared to other industries. In addition to our strategic vertical markets, we also have a growing presence in the B2B payments market. We processed approximately \$10.3 billion in total payment volume in 2017, growing at a CAGR of 67% since 2014.

We distribute our payment technology and proprietary software solutions to our clients through our direct sales force as well as through a growing network of distribution partners, including ISVs, VARs, ISOs and other referral partners, including financial institutions. Our ISV partners represent a significant distribution channel and enable us to accelerate our market penetration through a cost effective one-to-many distribution model that tends to result in high retention and faster growth. From September 30, 2016 to September 30, 2017, we increased our network of ISVs from 13 to 22, which produced an increase in average monthly payment volume of 155%. We believe our model is highly effective at reaching new potential clients.

Our integrated payment and software solutions feature embedded payment capabilities tailored to the specific needs of our clients in strategic vertical markets. Our configurable payment technology solutions integrate seamlessly into clients' third-party business management systems, provide security that complies with PCI DSS and include extensive reporting tools. In addition to integrations with third party software, we deliver our own proprietary software solutions that increase the productivity of our clients by streamlining their business processes, particularly in the education, property management and public sector markets. We believe our proprietary software further differentiates us from our competitors in these strategic verticals and enables us to maximize our payment-related revenue. Through our proprietary gateway, we offer our clients a single point of access for a broad suite of payment and software solutions, enabling omni-channel POS, spanning brick and mortar and electronic and mobile commerce, including app-based payments.

We primarily focus on strategic vertical markets where we believe we can be a leader in vertically-focused, integrated payment and software solutions. Our strategic vertical markets include:

- *Education*—We assist schools in completing payment processing functions such as accepting payments for school lunches (online, at school, or at the POS), school activities, selling products from the online student store while managing inventory, ticket sales and attendance at athletic and other events, enabling parents and students to complete forms electronically and enabling parents to make installment payments on higher-priced items.
- *Non-profit*—We simplify the payment process for donations, charity auctions, church contributions and tickets to fundraising events, among others, empowering our clients to increase both their revenues and the time they devote to their core activities.
- *Public Sector*—We assist public entities by efficiently collecting taxes, fines and certain fees; providing customer service responses to customer calls; and increasing the means available to make payments (online, in person or via mobile).
- *Property Management*—We assist landlords and property managers in the rent collection process by providing centralized reporting for card and ACH payments, bank-level PCI DSS compliant security and solutions that integrate with third-party accounting software. This solution is becoming a popular option in the fast-growing shared workspace industry.
- *Healthcare*—We enable clients in our healthcare vertical to accept payments through mobile and POS solutions; to use consumer-facing payment devices that allow receptionists and clerical staff to focus their attention elsewhere; and to use revenue cycle management tools to help shrink the volume of accounts that they turn over to collection agencies.

We have a longer term goal of being a leader in six to ten strategic vertical markets. We target vertical markets where businesses and organizations tend to lack integrated payment functionality within their business

management systems and where we face less competition for our solutions. In many cases, we deliver our proprietary software solutions to strategic vertical markets through the PayFac model, where we:

- enable superior data management by aggregating multiple small merchants under our “master” account, resulting in the collection and management of data not historically readily available;
- streamline and simplify merchant onboarding, often resulting in client approval in minutes or hours rather than days or weeks; and
- provide ease of reporting and reconciliation, allowing our clients to accept electronic payments in a faster, more convenient fashion.

As more ISVs seek to differentiate their offerings by seamlessly integrating payment functionality into their software solutions, the PayFac model has gained significant momentum. Before PayFacs were an option, any business looking to accept credit cards was required to establish an individual merchant account, which is often costly and time-consuming for small merchants.

In addition to our vertical markets, we have a growing presence in the B2B payments sector, where we provide value-added solutions that enhance card capabilities and payment processing technology that integrates with our client’s accounting systems. The B2B payment market is among the fastest-growing segments within payments. Compared with business-to-consumer payments where, according to The Nilson Report, approximately 75% of payment volume was processed through electronic methods in 2016, the B2B payments market is significantly less penetrated by electronic payments. According to PayStream Advisors’ 2017 Electronic Payments Report, checks account for more than 45% of B2B payments, presenting an opportunity for further adoption of card-based and other electronic payments.

An important part of our long-term strategy is acquisition-driven growth. To date, we have completed nine “platform” acquisitions and twelve “tuck-in” acquisitions. Our platform acquisitions—including Axia, PaySchools, SDCR, Inc., Fairway and Infintech—have opened new strategic vertical markets, broadened our technology and solutions suite and expanded our client base, while our tuck-in acquisitions have augmented our existing payment and software solutions and added clients. Our growth strategy is to continue to build our company through a disciplined combination of organic growth and growth through platform and tuck-in acquisitions. With more than 3,500 U.S. payments companies registered with Visa and over 10,000 ISVs doing business in the United States, we are confident that we will continue to be successful in finding acquisition targets to supplement our organic growth.

We have built a deep and experienced executive-level management team. Greg Daily, our Chairman and Chief Executive Officer, and Clay Whitson, our Chief Financial Officer, have each previously served in similar roles with PMT Services, Inc. and iPayment, Inc. Our President, Rick Stanford, who is responsible for mergers and acquisitions, has a 30-year professional relationship with Mr. Daily and Mr. Whitson, including working together at PMT Services, Inc. Rob Bertke, our Chief Technology Officer, has over 20 years of experience in the payment technology and B2B commerce industries. Importantly, many of our acquisitions have added managers with extensive knowledge of their vertical markets and deep client relationships.

We generate revenue primarily from payment processing services, which principally include but are not limited to volume-based fees, provided to clients throughout the United States. Our payment processing services enable clients to accept electronic payments, facilitating the exchange of funds and transaction data between clients, financial institutions and payment networks. Our payment processing services include merchant onboarding, risk and underwriting, authorization, settlement, chargeback processing and other merchant support. We also generate revenue from software licensing subscriptions, ongoing support, and other POS-related solutions that we provide to our clients directly and through our distribution partners. Due to our integrated payment and software solutions and our distribution network, we are able to drive significant scale and operating efficiencies, which enable us to generate strong operating margins and profitability. For the six month period ended March 31, 2018, we generated \$154.9 million in revenue, \$(7.2) million of net loss and \$14.6 million of adjusted EBITDA, compared to \$124.5 million in revenue, \$(0.4) million of net loss and \$9.1 million of adjusted EBITDA for the comparable period in 2017, an increase of 24% and 60% for revenue and adjusted EBITDA, respectively. In fiscal year 2017, we generated \$262.6 million in revenue, \$0.9 million of net income and \$19.3 million of adjusted EBITDA, compared to \$199.6 million in revenue, \$(2.1) million of net loss and \$17.6 million of adjusted EBITDA in fiscal year 2016, an increase of 32% and 10% for revenue and adjusted EBITDA, respectively. See “Summary Historical and Pro Forma

Consolidated Financial and Other Data” for a discussion of adjusted EBITDA and a reconciliation of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure.

Industry Background

Overview of the Electronic Payments Industry

The electronic payments industry is massive, with growth fueled by powerful long-term trends that continue to increase the acceptance and use of electronic-based payments compared to paper-based payments. The industry is serviced by a variety of providers, including issuers, payment networks and merchant acquirers. According to The Nilson Report, purchase volume on credit, debit and prepaid cards in the United States was approximately \$6.2 trillion in 2016 and is estimated to reach nearly \$8.5 trillion by 2021, a CAGR of 6.6%. Additionally, B2B payments represent a large, high growth opportunity, with card-based payments gaining momentum in a market where checks still account for more than 45% of supplier-related payments according to PayStream Advisors’ 2017 Electronic Payments Report.

Convergence of Payments, Software and Integrated Technology

The electronic payments industry is undergoing a transformation fueled by rapid advancements in technology over the past decade, including the proliferation of APIs that facilitate seamless integration between various software programs and payment technology. This transformation is empowering businesses and organizations to benefit from the increased utility associated with embedding payment solutions within software. Increasingly, payment solutions are embedded within the software that merchants use for other critical business functions, such as POS, accounting, inventory management, drawer reconciliation, CRM and order entry.

SMBs and other organizations are increasingly demanding bundled payment and software solutions. To deliver more value to clients, ISVs and payment companies are partnering to meet this demand, often entering into revenue sharing arrangements related to payment processing revenue. More recently, some ISVs are bundling proprietary payment capabilities with software offerings to create a comprehensive, integrated solution for clients and to optimize the revenue opportunity associated with payments.

As more ISVs seek to differentiate their offerings by seamlessly integrating payment capabilities into their software solutions, the PayFac model has gained significant momentum. The PayFac model provides companies not traditionally in the business of delivering payment services (e.g., ISVs) with a master merchant account, enabling SMB clients to accept electronic payments through a sub-merchant contract. In addition to rapid, efficient onboarding, PayFacs offer various tools and services, including streamlined reporting and client support. PayFac transaction volume is projected to grow at a CAGR of 88% from 2016 to 2021, reaching \$513 billion in annual processing volume in 2021, according to a 2016 report from Double Diamond Payments Research titled “Why Software Vendors Should Be Payment Facilitators.”

Overview of the Traditional Merchant Acquiring Industry

Historically, to facilitate the acceptance of card-based payments at the POS, banks began providing payment services to their local merchants. Providers of these services, both divisions of banks and independent companies, became known as merchant acquirers. The merchant acquiring industry has grown significantly as more and more merchants and organizations accept card-based payments in response to their growing adoption by consumers. More than 3,500 payments service providers are registered with Visa in the United States. These acquirers can be categorized as follows:

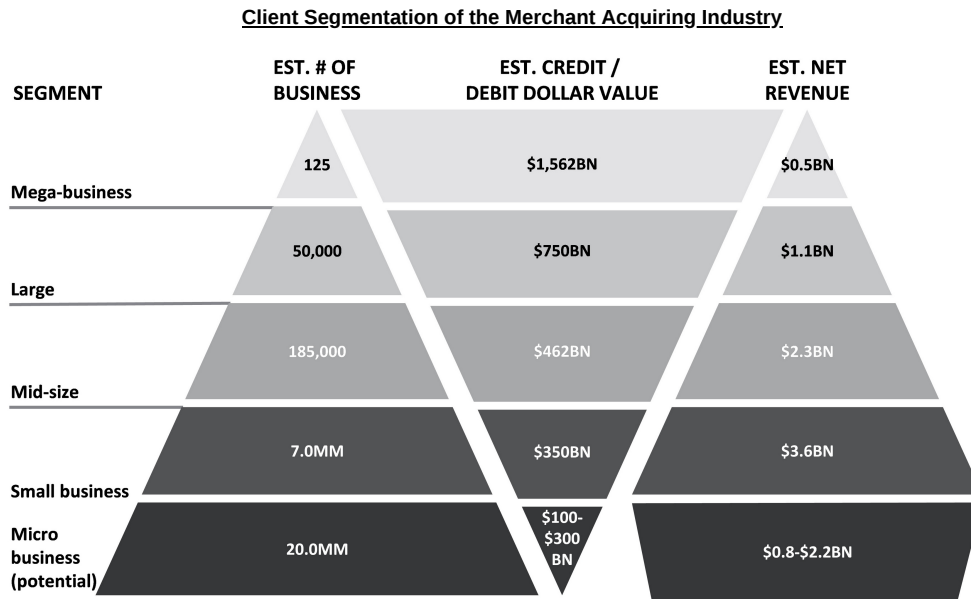
- **Non-Bank Merchant Acquirers**—These providers use their own proprietary platforms to sell merchant acquiring solutions delivering fully integrated end-to-end capabilities. Examples include Global Payments, First Data and WorldPay. These providers typically generate revenue based on dollar volume processed as well as transaction and other ancillary service fees (e.g., PCI compliance fees).
- **Banks**—A few banks in the United States, such as JPMorgan Chase and U.S. Bancorp, possess in-house processing functions, but most outsource their merchant acquiring services to a non-bank merchant acquirer. Banks typically sell merchant acquiring services in combination with other commercial banking products (e.g., bank accounts, loans, treasury services).
- **Independent Sales Organizations (ISOs)**—These providers typically use a sales force to sell payment services to businesses and organizations (at a retail price) in a specific market segment or geographic region. ISOs typically outsource merchant acquiring functions and some back office support functions to a bank or non-bank merchant acquirer (at a wholesale price).

- Other Acquirers—These providers are typically less established and early-stage vendors seeking to offer new payment methods and devices, such as healthcare organizations creating their own technology for electronic payments.

The services provided directly to businesses and organizations and the fees collected from them for those services can vary depending on each provider’s in-house technology capabilities and the number of services that they outsource to other providers. Typically, merchant acquirers can earn more revenue if they provide more services in-house; however, only a few providers in the U.S. have the capability to provide all of these solutions, and even fewer provide bundled payment and software solutions.

Overview of the Merchant Client Base

According to First Annapolis, there are over 25 million merchants in the United States that can potentially accept electronic payments at a POS. As shown in the following diagram, the majority of these merchants are SMBs:



Source: First Annapolis; 2010 estimates

Many traditional merchant acquirers sell their payment processing services to various sizes of merchants and organizations, from SMBs to large enterprises. As potential customers, we believe SMBs have many attractive characteristics. SMBs generally lack the resources of large enterprises to invest heavily in technology and therefore are more dependent on service providers, such as merchant acquirers, to handle critical functions, including payment acceptance and other support services. Technology needs for SMBs are increasingly complex. As electronic and mobile commerce continues to grow as a percentage of purchase volume, businesses and organizations require additional capabilities to serve their customers in an increasingly omni-channel world. In addition, SMBs are seeking software solutions for a variety of their business functions, including marketing, inventory management, invoicing and other industry-specific applications. Merchant acquirers can better serve SMBs by working with ISVs or offering proprietary software that helps meet the requirements of these businesses and organizations. A wide variety of merchants and organizations make up the SMB market segment. As a result, there is less risk of client concentration. While the size of the market opportunity is considerable, the needs of potential clients in different segments vary significantly, benefiting those providers that deliver integrated payment solutions tailored to their specific needs.

Our Competitive Strengths

We believe we have attributes that differentiate us from our competitors and provide us with significant competitive advantages. Our key competitive strengths include:

Innovative Payment and Software Solutions Tailored for Strategic Verticals

We believe our ability to deliver innovative payment and software solutions tailored to the specific needs of businesses and organizations in our strategic vertical markets differentiates us from our competitors. Our seamlessly integrated payment and software solutions can be used across multiple channels and industry verticals through our gateway and through our PayFac model and permit us to tailor our solutions to specific needs of individual vertical markets. We focus on providing value-add, flexible, scalable and innovative electronic payment and software solutions to clients in attractive, high growth strategic vertical markets such as education, non-profit, public sector, property management and healthcare. We target vertical markets that are large and growing, where businesses and other organizations typically lack integrated payment functionality within their business management system, there is potential for significant market penetration of our solutions and competition for our solutions is fragmented. We have built, through strategic acquisitions and internal development, a specialized and tailored payment and software solutions business, powered by a broad network of distribution partners that allows us to integrate and cross-sell our solutions to businesses and organizations in these strategic vertical markets. We believe our deep domain knowledge in each of our strategic vertical markets provides us unique insight into our clients' needs, and enables us to deliver high-quality traditional and PayFac solutions with vertical-specific client support.

Additionally, we provide a comprehensive suite of horizontal solutions that complement our vertically focused solutions and enable us to further penetrate each vertical market. Our horizontal solutions include virtual terminals, POS technology, mobile solutions, countertop and wireless terminals, electronic invoice presentment and payment, event registration, online reporting, expedited funding, PCI validation, integrated forms and client analytics.

Expertise in ISV Distribution

We distribute our payment technology and proprietary software solutions to our clients through our direct sales force as well as through a growing network of distribution partners, including ISVs. We embed our payment technology into our proprietary vertical software solutions, or into solutions developed by ISVs, empowering our clients to benefit from the seamless integration of payments and software. We currently have approximately 25 ISV distribution partners. Our ISV partner strategy represents a significant distribution channel and enables us to accelerate our market penetration through a cost effective one-to-many distribution model that tends to result in high retention and faster growth. We sell our services to our ISV partners' customer base, effectively broadening our target base. We consider our expertise in integrating our payment processing solutions into our distribution partners' software to be a key competitive advantage that has enabled us to construct a highly diversified customer base with relatively high retention rates. We have also acquired ISVs in certain strategic vertical markets, which we believe further differentiates us from our competitors and improves our results of operations.

Robust Gateway and Technology Platform Delivering Sophisticated Payment and Software Solutions

We have developed a suite of technology solutions that can be deployed on a variety of platforms. Our solutions include a range of traditional and innovative products, and our technology includes proprietary software that serves our verticals and offers a unified suite of APIs that provide streamlined payment integration. Our defined project development processes enable us to deploy initial downloads and upgrades in a quick and efficient manner via the cloud. Our centralized development process and the broad compatibility of our products permit us to quickly respond to changing market trends, which competitors who rely on third-party providers for their technological needs are less equipped to do. Our solutions provide redundancy, scalability, high availability and PCI Service Level Provider Level 1 Security.

Through our proprietary gateway, we provide our clients a single point of access for a broad suite of payment and software solutions, spanning POS, e-commerce and mobile devices. Leveraging our technology, we are able to provide our clients with solutions that are highly secure, scalable and available. In addition, our broad suite of payment and software solutions can evolve to meet the needs of our clients as their complexity, size or requirements change, providing sophisticated reporting and intelligence tools embedded within each client's existing business management systems. In certain vertical markets such as education, property management and public sector, we offer proprietary software solutions that increase the productivity of our clients by streamlining their business processes. Our payment solutions, including PCI DSS-compliant security, integrate seamlessly into a client's business management system and can be tailored to the client's needs, with extensive reporting tools.

Attractive Operating Model

We have grown rapidly since our founding, with payment volume growth over the prior year of 26% in 2017, 138% in 2016 and 55% in 2015. We believe our deep domain knowledge within our strategic vertical markets, the embedded nature of our integrated payment and proprietary software solutions and our strong client relationships drive improved client retention and revenue growth. We have invested significantly in our software solutions to increase the usability, functionality and capacity of our integrated solutions, and with the continued growth of our business, we have been able to benefit from economies of scale. By leveraging our technology, we have grown our client portfolio at a rate exceeding our other non-processing expenses. The relationships we have developed with a significant number of distribution partners, including ISVs and VARs, contribute to efficient client acquisition, high retention and lifetime value and, ultimately, strong revenue and earnings growth. Given that we predominantly generate transaction-based revenue, we can confidently predict at the beginning of each fiscal year our recurring revenue and cash flow, excluding the effects of acquisitions, for that fiscal year. Further, we have minimal client and vertical market concentration, which insulates us from fluctuations within any given vertical market.

Proven Acquisition and Integration Strategy

A core component of our growth strategy includes a disciplined approach to acquisitions of companies and technology, evidenced by nine platform acquisitions and twelve tuck-in acquisitions since our inception in 2012. Our acquisitions have opened new strategic vertical markets, increased the number of businesses and organizations to whom we provide solutions and augmented our existing payment and software solutions and capabilities. For example, our platform acquisition of Infotech in July 2015 opened the B2B market for our solutions. Our management team has significant experience acquiring and integrating providers of payment processing services and providers of vertical market software that complement our existing suite of products and solutions. Due to our management team's longstanding relationships and domain expertise, we have developed a strong pipeline of acquisition targets and are constantly evaluating businesses against our acquisition criteria.

Experienced Team with Strong Execution Track Record

We have built a deep and experienced executive-level management team. Greg Daily, our Chairman and Chief Executive Officer, and Clay Whitson, our Chief Financial Officer, have each previously served in similar roles with iPayment, Inc. and PMT Services, Inc. Our President, Rick Stanford, who is responsible for mergers and acquisitions, has a 30-year professional relationship with Mr. Daily and Mr. Whitson, including working together at PMT Services, Inc. Substantial value was created at both PMT Services, Inc. and iPayment, Inc. through organic and acquisition-based growth. From PMT Services' IPO on August 12, 1994 until its sale on September 24, 1998, PMT Services' cumulative stock return was 713%, compared to the 126% cumulative stock return of the S&P 500 during the same period, excluding dividends. From iPayment's IPO on May 12, 2003 until it was taken private on May 10, 2006, iPayment's cumulative stock return was 172%, compared to the 40% cumulative stock return of the S&P 500 during the same period, excluding dividends. There can be no assurance, however, that these executives will be able to create similar increases in the value of i3 Verticals, Inc. Rob Bertke, our Chief Technology Officer, has over 20 years of experience in the payment technology and B2B commerce industries.

Many of our acquisitions have added key members of management with extensive knowledge of their vertical markets and deep distribution partner and client relationships. We typically structure acquisitions with the goal of retaining and incentivizing key members of management, through equity incentives and earn-outs that align their interests with those of our shareholders.

Our Growth Strategy

Expand Our Network of Distribution Partners

We have experienced significant growth through our network of distribution partners, particularly within integrated channels. We have approximately 25 ISV distribution partners and intend to continue expanding our distribution network to reach new ISVs as well as other new partners within our strategic vertical markets. Further, we intend to expand into new verticals as our current distribution partners and clients expand their own businesses. We believe that our differentiated payments platform, combined with our vertical expertise, will enable us to methodically engage new distribution partners.

Continue to Enhance Our Suite of Technology Solutions

We intend to strengthen our position in our various vertical markets through continuous product innovation and enhancement. We have a strong track record of introducing to our clients new products and solutions that increase convenience, enhance ease of use, improve integration with their other business management systems and offer

greater functionality. For example, we have introduced our online forms technology to our education vertical, which allows parents and students to complete forms electronically and integrate them with general ledger platforms in a centralized database while seamlessly accepting payment for those activities, where applicable. In addition, we plan to take advantage of our proprietary, integrated gateway and service capabilities to provide PayFac services in our strategic vertical markets. Through continued product innovation and enhancement, we believe we can increase client retention and improve our ability to win new business. Further, we will continue to invest in our technology and proprietary software that drives our competitiveness and position within our verticals.

Grow With Our Existing Distribution Partners and Clients

We focus on strategic vertical markets where there is a large addressable market, the client base is highly fragmented and penetration of electronic payments is below that of the overall economy. Our potential clients are in continual search of payment solutions and software to help them offer multiple value-added services and sell through various channels to provide a convenient customer experience, increase sales and create business efficiencies. We intend to grow organically with our existing distribution partners by providing compelling integrated payment technology and proprietary software solutions to clients. We believe that by cross-selling new and value-added services and promoting our omni-channel capabilities to our existing clients, we will help our clients succeed and grow their payment volume. We believe a subset of our client base uses integrated payment solutions, and we intend to promote the adoption of these technologies.

Certain of our specific growth strategies include:

- **Cross-sell Opportunities:** We provide our distribution partners with the opportunity to market new products as they become available, making available new content that enhances the value of our distribution partners to their members.
- **Event Participation:** We identify opportunities to engage with client opportunities through event participation, including by sponsoring luncheons, attending tradeshows, and presenting at user conferences.
- **Electronic Marketing:** Our marketing team utilizes a variety of marketing techniques to enhance the awareness of our offerings to the distribution partner network, which align with our outbound sales effort and are intended to monitor the level of client engagement.
- **Content Development:** Our sales and marketing team partners with our distribution network to identify key topics of interest to their members, and we intend to continue work to craft new content covering popular topics related to the electronic payment industry.
- **Incentive Programs:** Our sales and marketing team works directly with our distribution partners to launch incentive programs intended to increase new referral activity through a variety of competitions and programs implemented each year.

Further Penetrate the Installed Merchant Base of Our Distribution Partners

We intend to continue to actively pursue the merchant base of our distribution partners. A significant number of businesses and other organizations within these channels are not currently using our solutions and have not yet been proactively approached or have not faced a reason to switch, such as contract expiration or a customer service issue. Many already have their electronic payments processed through another provider, while others are not yet accepting electronic payments. We intend to continue to capitalize on this significant opportunity by leveraging our relationships with our distribution partners, our extensive marketing capabilities, our vertically-focused sales force and our innovative payment technology. This focus allows us to expand within these markets and benefit from our clients' organic growth.

Selectively Pursue Platform and Tuck-in Acquisitions

We intend to pursue platform acquisitions of vertically-focused integrated payment and software solution providers in new vertical markets. We also intend to continue to complement our organic expansion with accretive tuck-in acquisitions that enhance our market position within our existing strategic vertical markets. We expect that these acquisitions will expand our integrated platform, existing payment solutions and client reach. Since our formation in 2012, we have completed a total of nine platform and twelve tuck-in acquisitions that enabled us to enter new, or expand within existing, vertical markets. We have demonstrated the ability to execute and integrate acquisitions that augment our products and services and enhance the solution set we offer to our clients. For example, our platform acquisition of Fairway in August 2017 significantly enhanced our internal expertise and payment capabilities in the non-profit and healthcare verticals.

We intend to continue to funnel acquisition targets through our strong pipeline, while we also engage new candidates. We target companies that have a strong management team with significant expertise in a particular vertical market and that offer attractive growth potential. Once we have completed an acquisition, we monitor the acquired company's performance and seek to improve its operations. Our corporate structure enables us to provide financial and strategic support, including capital, recruitment, back-office and IT functions to the companies we acquire. This decentralized management structure allows us to create management teams positioned to maximize the growth potential in existing and new vertical markets.

Our Products, Solutions and Technology

We deliver to our clients and distribution partners a comprehensive suite of integrated payment technology and software solutions to address the needs of SMBs and organizations in our strategic vertical markets. Our products and solutions are strategically aligned to support new client growth and promote customer retention.

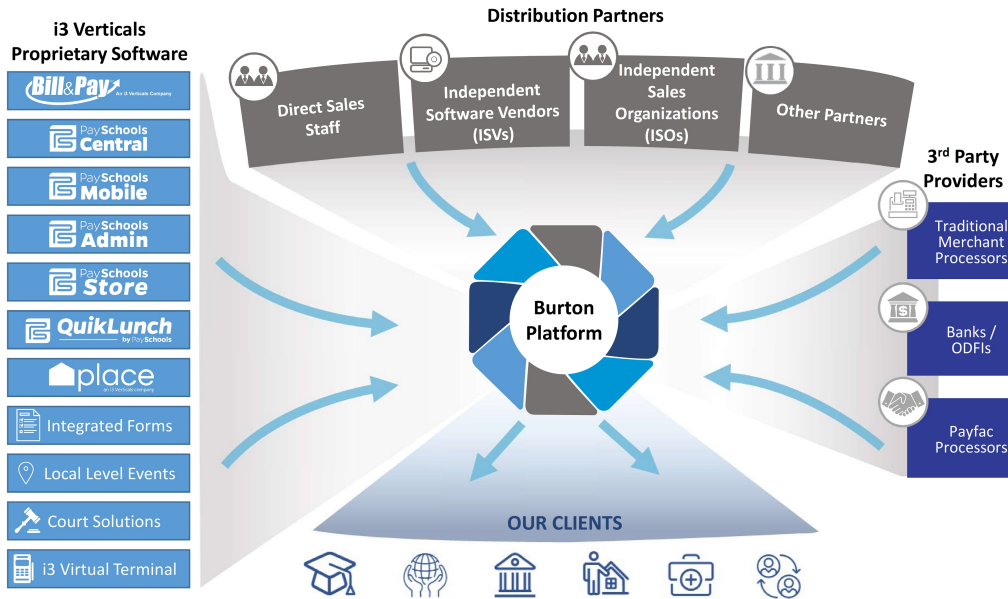
We have developed a suite of payment technology solutions that:

- integrate with a broad number of client business management systems;
- perform a broad range of risk management, transaction processing and value-added services beneficial to our clients;
- increase convenience to our clients;
- provide ease of use and greater functionality for our clients; and
- offer PCI-compliant security and extensive reporting tools.

We offer our clients a single point of access through our powerful, simple and capable proprietary core platform ("Burton Platform"). Combining a centralized environment for scalability, PCI SLP Level 1 security and redundancy, Burton Platform offers a broad suite of payment and software solutions, enabling omni-channel POS, spanning brick and mortar locations and electronic- and mobile-commerce, including app-based payments. We employ project management, release management and product development lifecycle methodologies that enable us to deploy initial downloads and upgrades in a quick and efficient manner via the cloud.

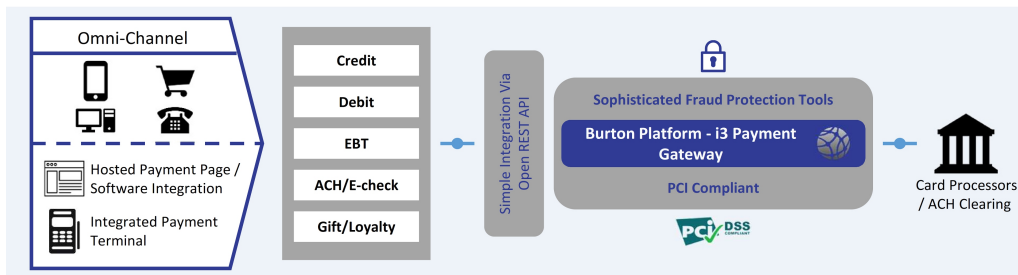
Our Technology Framework

We have a suite of proprietary solutions designed around horizontal and vertical market needs. This software suite includes eleven vertical software solutions and our core platform, Burton Platform. The following image shows the relationship between these technologies as well as interaction with third-party processing systems, clients and distribution partners.



Our Core Platform—Burton Platform

Burton Platform is the core of our technology suite. A platform designed to be highly scalable, built for minimal downtime and high transaction volume, Burton Platform brings together common components of our vertical software technologies as well as several historically disparate solutions.



Burton Platform includes the following key components:

- **i3 Portal:** i3 Portal is a web-based application with the ability to process payment card, ACH and check sales, schedule recurring payments and report on transactions processed.
- **i3 API Suite:** i3 API Suite is a robust set of APIs available through a developer portal allowing ISVs to easily integrate traditional merchant processing, check and ACH as well as PayFac processing.
- **Traditional Merchant Processing:** Burton Platform supports the routing of transactions in real-time to the appropriate back-end processing system for authorization and settlement, while our front-end API supports

more traditional "Merchant of Record" processing. The system communicates with the payment networks and processors to calculate appropriate pricing for settlement and funding.

- ACH Processing: Burton Platform supports ACH as well as remote deposit capture and Check 21 capability. This system communicates with check processors and originating depository financial institutions (ODFIs) to handle payment submission from account information, check MICR scanners and Check 21 image scanners.
- PayFac Merchant Processing: Burton Platform enables our PayFac solution to allow ISVs to quickly onboard new accounts, use dynamic pay-out to handle complex payment models and provide enhanced reconciliation reporting to their customers.

Burton Platform Components Under Development

In addition to the components already included on Burton Platform, we continue to invest in our platform to add greater feature functionality. Our three-year plan is to centralize multiple services into a single unified API accessible by our vertical software solutions as well as third-party software vendors, to include:

- i3 Microservices: The i3 Microservices subsystem is intended to be a suite of tools to help ISVs bring incremental functionality to their applications including tokenization, recurring payment and hosted application with digital signature, automated onboarding and fraud protection. These components remain under development, but many are available already on Burton Platform.
- i3 Tool Set: We expect our i3 Tool Set within Burton Platform to permit ISVs to add complete sub-systems to their software to bring additional value to their customers. We expect these components to include invoice/bill presentment and payment, event management and forms management all using Single Sign On (SSO) and centralized identity management.
- i3 Enterprise: We intend i3 Enterprise to integrate the operational components of our business and to provide a comprehensive proprietary system designed to strengthen client accounts sales with (a) faster account onboarding, (b) new management features, and (c) enhanced reporting. We expect this solution to include:
 - CRM: A lead / opportunity tracking system for internal sales and agent partners to increase the volume of new client accounts and maintain existing accounts;
 - Automated Account Boarding: Automated boarding (including KYC and OFAC checks) on the Burton Platform system as well as third-party processors and gateways;
 - Client Support and Retention: Sophisticated reporting to enable troubleshooting of client issues;
 - Risk Management and Fraud Monitoring: Advanced tools which will use activity rules for both pre-authorization and pre-settlement transactions;
 - Dispute and Chargeback Monitoring: An online system for logging disputes and tracking status; and
 - Residual Reporting: Calculations and financial reporting to track commissions.

Strategic Vertical Markets

We target vertical markets in which businesses and organizations tend to lack integrated payment functionality within their business management system. Additional attributes of these verticals often include a fragmented competitive environment, a large and increasing addressable market and an opportunity for significant market penetration and growth. We enter select vertical markets where we believe we can be a leader in vertically-focused, integrated payment technology and software solutions. We deliver all of our vertical software solutions as software-as-a-service (SaaS) solutions for web and mobile application.

Education—We serve K-12 school district leaders and staff members who need to collect and manage parent and community data and payments for supplementing budgets, quick reference, and reporting. Our education solution, which utilizes the PayFac model, is a self-serve payment and data collection software platform that manages critical parent and student information via web, mobile, and on-site transaction processing. We help schools with every aspect of payments including online payments, on-campus POS and data collection functionality for tracking, reporting and collecting funds. Ancillary value-add options enable our school districts to manage event, program and sports registrations. Using our convenience-fee payment technology, our school clients in this vertical often receive the full principal amount which alleviates reconciliation issues and processing costs.

Non-Profit—We deliver an integrated solution for processing payments from donors to non-profit organizations. These solutions assist non-profit organizations with ordinary course fundraising along with special one-time or

"giving day" promotions that may include many separate organizations seeking donations as a result of a single marketing campaign. Our integrated solutions seamlessly integrate into the business management system for each respective non-profit to allow for efficient data capture and reporting.

Public Sector—We deliver integrated payment solutions in our public-sector vertical. These solutions allow our clients to process court, tax, utility, bail, and other public-sector payments, typically utilizing the PayFac model. Convenience-fee payment technology is also available to our public sector clients.

Healthcare—We provide businesses in our healthcare vertical with an integrated solution for processing payments from patients for various healthcare-related costs and fees. These payment solutions seamlessly integrate into our distribution partner ISV software to provide clients and their customers a bundled card payment solution. These ISV relationships promote our integrated payment solutions in a one-to-many fashion to prospective clients.

Property Management—We provide payment solutions for the residential property management and fast-growing workspace industry. Our products deliver a fully integrated payment solution for rent payments, including a branded mobile payment application as part of a software suite provided by our distribution partner ISVs. Our instruction-based funding model, enabled by our PayFac platform, accommodates complex fund distribution to multiple depository accounts, which is important to property managers and landlords. Property managers can use our convenience fee payment capabilities to reduce card processing costs by nearly 90%.

History of Our Education Vertical

Since our founding, we have invested heavily in our integrated solutions within our verticals markets. For example, in April 2014 we acquired PaySchools, an integrated software and payments provider, in our education vertical. At the time of acquisition, PaySchools was a limited software payments platform with 24 employees, no direct salesforce and limited customer service systems.

Our goal in our education vertical has been to create an easy-to-use and powerful software platform to integrate payments and data for a variety of school needs—including student meal activity, student fees, student forms, ticketing and school administration. Since 2014, we have continued to invest in our education vertical through tuck-in acquisitions and internal developments. We have augmented our software and added clients through the acquisitions of EZ-Pay, Local Level, Fullerton, Inc. and CCP, Inc. In addition to our acquisitions, we have redesigned many of the pieces of software acquired, integrated each under the PaySchools platform and embedded within the platform our proprietary integrated payments solutions, enabling students, parents and other customers of our clients to make school payments through a variety of channels, including online, mobile and in-person. These payments are completely embedded within our software platform, which enables us to update the related student records in real-time and streamline the reconciliation process for the school. In addition, we have added a more robust back-end processing tool and a direct customer service hotline, permitting parents or other individuals experiencing difficulty with their payment to speak to a customer service representative.

Today, all revenue from our education vertical is enabled by our proprietary software solutions. Further, we believe the ease of use of our integrated payment solution of PaySchools, combined with the ability to link school data with the related payments, has created high levels of satisfaction of our school districts, which include public school districts, private school consortiums, stand-alone private schools and charter schools, among others.

We believe PaySchools reduces the administrative burden previously experienced by our client school districts, and also provides convenience and customer support to parents and students. We believe the success of our PaySchools solution is demonstrated by our stable client base and an annual district retention rate of 96% for both 2017 and 2016. Further, our same store sales (which we define as our sales per school district) have increased annually in this segment, and most recently increased 9% for the fiscal year ended September 30, 2017 as compared to 2016, and our revenue per school district has increased a total of 31% during the three years from October 1, 2014 to September 30, 2017. We believe our ability to acquire a software platform, make tuck-in acquisitions and improve the performance of the education vertical is reflected in our financial results. In the education vertical during 2017, we generated a \$0.1 million net loss and \$2.1 million of adjusted EBITDA, compared to a \$0.3 million net loss and \$0.5 million of adjusted EBITDA in fiscal year 2015 as presented in the following table:

(in thousands)	Year ended September 30,		
	2017	2016	2015
Net income	\$ (129)	\$ (327)	\$ (299)
Change in fair value of contingent consideration	646	67	—
Interest expense, net	—	—	33
Provision for income tax	(7)	3	5
Depreciation & amortization	1,619	1,295	741
Adjusted EBITDA	\$ 2,129	\$ 1,038	\$ 480

Our Proprietary Vertical Software Solutions and Products

In many cases, we deliver our proprietary software solutions to key verticals through a PayFac model, which we believe gives us a competitive advantage. Our PayFac solution streamlines and simplifies client onboarding, provides ease of reporting and reconciliation, and enables superior data management.

We deliver our proprietary software solutions to one or more of our strategic vertical markets, including:

Bill & Pay: Bill & Pay is a web-based invoicing and payment solution that streamlines accounts receivables for SMB clients. The application is integrated with QuickBooks and Xero to email customer invoices and also provides a “click to pay” option. The Bill & Pay application supports a user’s ability to submit one-time and recurring credit card or ACH payments.

PaySchools Central: PaySchools Central is a web-based solution designed to make school payments quick and simple. Featuring a simple sign-up process, parents can use the solution to fund their children’s lunch account, pay fees, set auto-replenish amounts and run reports on lunch details and account balance history.

PaySchools Mobile: PaySchools Mobile is a mobile payment solution that provides parents with the ability to manage their children’s various accounts, fund lunch accounts and pay required and optional fees from their mobile device.

PaySchools Admin: PaySchools Admin is a web solution for schools to apply for and manage free and reduced student lunch programs as well as school fees associated with school activities. PaySchools Admin also provides schools with the ability to run reconciliation reporting.

PaySchools Store: PaySchools Store is an e-commerce solution for schools and districts looking to sell products and services online. The application allows buyers to build a shopping cart, pay, download premium content and view and print receipts.

QuikLunch: QuikLunch is a distributed POS system that installs in minutes for quick terminal swaps, centralized reporting and management and an extensive reporting suite that accounts for state and federal requirements. QuikLunch functions whether connected or disconnected from the applicable network.

Place: Place is a web-based application designed to assist landlords in collecting rental payments while also tracking support requests from tenants. This software is integrated with leading back-office property management software for flexible payments for office space.

Integrated Forms: Integrated Forms is a web-based application that provides a simple step-by-step process to easily create forms and gather, manage and report accurate data. It is equipped with an intuitive online form-creation process that allows a user to create online forms that are easy to access and complete. This application eliminates old documents, paperwork and files as soon as the new document has been completed.

Local Level Events: Local Level Events is a web-based event management solution with reserved seating and seat map capabilities. The application allows for ticket sales and redemption in a broad range of markets. Designed for donation campaigns, membership drives, camps and other school events, this online ticketing platform enables our clients to sell tickets, manage the event, track ticket sales and collect payments, all from one online location.

Court Solutions: Court Solutions is a web-based solution for the collection of fines by municipal courts. The application interacts with case management systems to extract citations and make them available for violators to pay online via credit card.

i3 Virtual Terminal: The i3 Virtual Terminal is a web-based application that supports transaction processing (credit card, debit card and ACH) as well as schedule recurring payments. The i3 Virtual Terminal has white label capability as well as sophisticated reporting.

Horizontally-Integrated and Other Solutions

We also provide a comprehensive suite of horizontal solutions to our clients and distribution partners that complement our vertically-integrated solutions and enable us to further penetrate within each vertical market while cross-selling additional solutions across our client base. In the B2B market, we provide payment solutions to clients in industries that include professional services (including law firms), manufacturing, contractor services, construction, and other industries where a significant percentage of payments are received using a commercial, business, purchasing, or virtual card. Our B2B payment solutions offer clients secure processing technology to authorize and settle transactions at reasonable card rates, automate the pass-through of line item details, and enhance the automation of the accounts receivable process. Our distribution partners include card issuers and industry association, providing a predictable source of new client leads.

In addition, we provide payment processing solutions to many retail establishments using both an integrated and traditional merchant account approach. In addition, we have reseller arrangements with National Cash Register (NCR), pursuant to which we re-sell integrated POS solutions that consist of both hardware and software. We provide support services to these NCR POS clients, most of which are in the restaurant and hospitality markets, and we also cross-sell our payment processing solutions into this client base.

Our solutions are positioned to support new client growth and promote client retention both within and outside our existing verticals, but most importantly to provide a stable and secure payment experience. Our comprehensive range of payment solutions include:

Solution	Description
<i>Virtual Terminals</i>	Our web-based virtual terminals allow clients to accept electronic payments using a computer or device with an Internet connection and supports both swiped and key-entered transactions. The terminals feature point-to-point encryption, card tokenization, customer information vault, enhanced business card data (Level II/III) and account updater.
<i>POS Technology</i>	We distribute a suite of card-present POS solutions for clients in the retail, restaurant, and hospitality verticals. Our core offerings include Aloha, Counterpoint, NCR, rPower, and Clover POS.
<i>Mobile Solutions</i>	Our mobile payment solutions support a variety of integrated technology platforms, including iOS and Android devices.
<i>Countertop & Wireless Terminals</i>	We distribute a broad selection of countertop and wireless payment devices supporting EMV, contactless, and mobile payments.
<i>Electronic Invoice Presentment and Payment</i>	Our Bill & Pay solution offers a complete invoicing and payment solution that streamlines the accounts receivable process. This solution includes an automated sync of customers, invoices and payments and supports a user's ability to submit one-time and recurring credit card or ACH payments.
<i>Event Registration</i>	Our Local Level solution is a web-based event management solution with reserved seating and seat map capabilities. It allows a client to sell tickets (including reserved seating) and facilitate donation campaigns, membership drives, camps and other school events.
<i>Online Reporting</i>	Our online reporting platforms offer clients access to daily settlement reports, monthly activities statements, and other critical processing data and functions.
<i>Expedited Funding</i>	Our expedited funding capabilities offer certain client fund availability within 24 hours of settlement. Transaction batches must be submitted within predetermined timeframes and certain industry types are not eligible.
<i>PCI Validation</i>	Our online PCI validation solution provides clients an intuitive interface to complete network validation procedures, including applicable self-assessment questionnaires (SAQs) and network scans.
<i>Integrated Forms</i>	This web-based application provides a simple step-by-step process to easily create forms and gather, manage and report accurate data. It is equipped with an intuitive online form-creation process that allows a user to create online forms that are easy to access and complete.
<i>Client Analytics</i>	Our solutions provide analytics tools for our clients that allow them to track and report on a variety of business transaction and customer trends (e.g., purchase volume, purchase frequency, product-level trend data, etc.).

Our Sales and Marketing

Our sales strategy leverages a broad network of distribution partners, comprised of ISVs, VARs, ISOs and our referral partners which include financial institutions, trade associations, chambers of commerce and card issuers. These distribution partners are a consistent and scalable source for new client acquisition. Leveraging our vertically focused suite of products and services, we are able to maximize the performance and retention of current distribution partners while attracting new partners. These one-to-many distribution partners accelerate penetration within our vertical markets in a cost-effective manner.

We focus on recruiting and retaining our distribution partners by providing them with financial incentives and support tools that enable them to be more successful in attracting new clients. We utilize our distribution partner sales force to identify new distribution partner relationships. These partner relationships are intended to expand our presence in existing strategic verticals, or extend into new industry verticals. The distribution partner sales team engages new opportunities, negotiates economic terms, and coordinates with marketing and direct sales to launch the partnership.

Our sales force includes both outside and inside representatives to manage each distribution partner relationship and deliver optimal response times to new client referrals. Our product and partner marketing is

delivered through a shared-services model which is coordinated with each business unit. Marketing is tightly aligned with our sales efforts by providing event coordination, demand generation resources, physical and electronic marketing campaigns and partner marketing collateral.

Our direct sales team is responsible for selling our proprietary software and payment technology solutions to clients primarily through our distribution and referral partner networks. The assigned sales team is the primary liaison for managing the partner relationship, coordinating with marketing team efforts and engaging new client referral opportunities. We utilize our direct sales team to sell our proprietary software and payment technology solutions directly to clients in our education, property management and public sector markets.

Distribution Partners

Integrated Software Vendors. Our ISV partners are software companies that integrate our payment technology into their software and market our acquiring services to their clients in a one-to-many fashion. The integration streamlines the onboarding of new clients, provides a consistent support structure for our joint client, and delivers a bundled payment offering that clients find attractive. An integrated payment and software solution enhances client satisfaction and increases client retention. From September 30, 2016 to September 30, 2017, we increased our network of ISVs from 13 to 22, which produced an increase in average monthly payment volume of 155%. As of March 31, 2018, we had 23 ISV partners.

Value Added Resellers. We partner with VARs to sell our proprietary software products in conjunction with the services that the VAR is able to provide to our client. This type of relationship allows us to expand our sales of software licensing subscriptions by allowing a VAR to bundle our software product with other value-add services provided by the VAR.

Independent Sales Organizations. We partner with ISOs to market our broad offering of payment solutions. The majority of our ISOs will market under our brand which allows them to promote our suite of products and payment solutions. We provide valuable support, training, and portfolio management tools to our ISOs.

Referral Partners

Financial Institutions. We partner with financial institutions to offer our suite of products and services to their commercial banking clients. Through our partner bank program, our sales team works directly with treasury management, business banking, and retail banking centers to promote our products and services to current or prospective clients. We receive the merchant referral, establish pricing and manage the ongoing support of that client relationship. Many referral bank relationships will actively market to clients who receive merchant acquiring deposits through another provider. We can also deliver simplified pricing programs and online sign-up capabilities to enable clients to self-enroll into the program. Many of our services can be private-labeled or co-branded for that specific financial institution. Our active financial institution relationships represent over 200 retail banking centers and 30,000 commercial banking clients.

Trade Associations. We partner with a broad and diverse network of industry associations and business alliances to promote our products and services both within and outside our strategic verticals. Our association partners are trusted within their specific industry and their membership is comprised of notable businesses and vendors who support that industry. Our participation within the association varies by relationship but often involves tradeshow participation, member benefit offerings, and other engagement opportunities intended to attract new clients and strengthen our brand awareness. We are actively engaged with over 50 industry associations and trade groups, representing over 80,000 prospective client relationships.

Chambers of Commerce. Our chamber referral partner network serves to benefit both the chamber and chamber member. Our sales and marketing team works closely with the chamber to establish a group rate program for the members of that specific chamber. The chamber then promotes our processing solutions as a membership benefit and in many cases the cost savings we can deliver that member will offset their chamber dues. The chamber receives a portion of our revenue which acts as a non-dues revenue source for the chamber and helps offset the costs incurred by the chamber to promote the program. Depending on the size and geographic location of the chamber, we assign either inside or outside sales representatives to manage the relationship and engage each referred chamber member. Our current network of 70 chambers represents a combined membership of over 65,000 businesses.

Card Issuers. Our growth in the B2B market is largely attributable to partnerships with commercial card issuers. Our card issuing partner will work with a business client to convert outgoing supplier/vendor payments from check, ACH, or cash to a card network-based product. These products can be in the form of a physical purchasing card, one-time use virtual card, or a dynamically loaded card on file. Our B2B sales team supports the client to maximize vendor enrollment rates by negotiating better card processing fees or optimizing the interchange qualification of the card network payment. Our card issuing partners currently pay over 500,000 unique vendors each month using a card network-based product, representing over \$2 billion in card payment volume. These vendors further represent a new client opportunity when we are introduced to the relationship.

i3 Verticals Sales Force

Distribution and Referral Partner Sales. Our distribution and referral partner sales function is responsible for identifying new distribution and referral partner relationships. These partner relationships are intended to expand our presence in existing strategic verticals, or extend into new industry verticals. The distribution and referral partner sales team engages new opportunities, negotiates economic terms and coordinates with marketing and direct sales to launch the partnership.

Direct Sales. Our direct sales team is responsible for selling our proprietary software and payment technology solutions to clients primarily through our distribution and referral partner networks. The assigned sales team is the primary liaison for managing the partner relationship, coordinating with marketing team efforts and engaging new client referral opportunities. We also utilize our direct sales team to sell our proprietary software and payment technology solutions directly to clients in our education, property management and public sector markets.

Marketing

Our enterprise marketing function serves as a shared-services team to coordinate corporate communications and support the sales team. The marketing team establishes our overall corporate marketing strategy to enhance brand awareness and demand generation. We use a broad variety of traditional and digital marketing mediums to engage prospective clients. These include:

Corporate Communications and Public Relations. The corporate communications and public relations team manages press releases, industry announcements and overall external corporate messaging.

Product Marketing. The product marketing function is responsible for coordinating communications related to our software solutions.

Distribution Partner Marketing. Our distribution partner marketing team partners with sales to promote our services to prospective clients through our distribution partner network. This includes email marketing campaigns, sales promotions, client testimonials and product cross-sell opportunities.

Digital Marketing. Our digital marketing efforts include client and partner newsletters, email campaigns, search engine optimization and digital advertising.

Our Operations

Our operations team is uniquely structured to optimize the experience of our clients and distribution partners. These regionally distributed and vertically focused business support teams allow us to establish a level of expertise that delivers a scalable support structure and enables us to align with the economic goals and specific expectations of the respective business unit. Each operations team is positioned to support the functions of their respective client base and key performance indicators mark their progress toward achieving the goals established by each business unit. Our client and partner databases provide visibility into the overall client relationship, tracking the status of the relationship from initial contact through the lifecycle of that client or partner relationship. Our centralized technology department is structured to rapidly enhance and effectively maintain our products and services.

Business Operations

Our operations team is structured to effectively support the individual needs of our clients and distribution partners. This support includes:

Client Onboarding. Our onboarding process is streamlined to deliver shortened activation timelines, ensuring our clients and those of our distribution partners can quickly begin transaction processing. Real-time account

approval for low-risk customer profiles expedites onboarding and allows our underwriting team to focus on more complex client activations. Onboarding under our PayFac model is even more efficient because less information must be gathered from the merchant, reducing the time required to create a merchant account.

Client Support and Retention. Our client support team is structured to serve our business units through a central client support center and strategically located support centers. Each support team is trained to serve the specific needs of those clients and is positioned to serve as redundancy to other business units as necessary. This provides us the flexibility to scale our operations as needs arise. Our client support team is also involved in retention efforts and have direct lines of communication to sales and management to resolve client matters in a timely manner.

Client Training and Activations. Our client activation teams handle the setup, testing, deployment, and configuration of client installations. These team members are distributed across our business units and trained to specialize in the client profile of that business unit. Product-specific training and certifications are often required for certain POS and processing systems. The training and activation team works directly with client sales and support to enhance the client experience.

Billing and Financial Review. Our billing and financial review function is responsible for the billing of fees related to merchant acquiring, products, and services. The team also monitors the accuracy of merchant billing, network processing costs and third-party partner costs.

Credit Underwriting and Risk Management. Our credit underwriting and risk management operations are designed to efficiently manage new account approvals and establish profiles to effectively manage the ongoing monitoring of client accounts. Once an account is actively processing, our risk systems are configured to monitor and flag activity requiring additional research, minimizing losses attributable to client fraud or default. Our processes are established to align with card brand and sponsor bank guidelines. Pending transactions are efficiently managed to minimize funding disruptions while limiting risk exposure.

Dispute and Chargeback Processing. Our dispute and chargeback team provides clients and partners an efficient support structure to manage the dispute resolution process. We work directly with the client, payment card networks and card issuing brands to collect and analyze the data provided to determine liability and resolve open dispute claims.

Distribution Partner Support. Our distribution partner support is designed to offer partners single access to the tools, products and services to ensure they can effectively attract new clients and support existing client portfolios.

Customer Support. Our customer support team resides within our client support team and is often staffed by crossed-trained team members. The customer support team provides transaction processing support to customers attempting to make payments through our payment systems. This service is offered through a subset of our vertical product offerings such as education and public-sector payments, where live customer-level support is deemed necessary. Bi-lingual support is also offered in certain business units.

Technology Operations

Our technical operations team oversees the execution of development, quality control, delivery and support for our payment processing applications and the hosted user applications. Applications are developed and tested according to the software development lifecycle, composed of iterative development and testing with a dedicated focus on planning and execution. Releases are modeled on continuous deployment and added to the live environment on a routine basis. Each application stack is built with redundancy to foster resiliency and built to be easily managed during a disaster recovery scenario. The entire solution is hosted within a managed, dedicated environment that is certified PCI-compliant to protect all personal and transactional data.

Network and Security. Our network and security team is responsible for ensuring that our processing technology is secure, stable and aligns to the current standards set forth by the payment card networks. This includes PCI Level 1 and PA-DSS security requirements.

Product Development, Testing and Deployment. We follow a very strict product development methodology from concept to release. This methodology includes testing as well as security review for each development sprint to ensure our products are stable and secure. This shared-services team works directly with our business units

and distribution partners to gather business requirements, manage product release schedules, schedule product development and testing and coordinate the release schedules.

Developer Integration. Our developer integration team works directly with our business units and ISVs to accept new integration inquiries and support activities related to integrating business applications into our payment technology platform.

Technical Support. Our technical support team is responsible for technical inquiries related to our merchant acquiring and software products. The team is trained to resolve most technical inquiries and will engage third party partners where additional assistance is required.

Our Acquisition History

We have an established history of executing and integrating platform and tuck-in acquisitions that have opened new vertical markets and provided additional technology and solutions offerings to our existing clients. Key strategic acquisitions that we have completed include:

<u>Acquisition</u>	<u>Date</u>	<u>Strategic Importance of Target Business</u>
EMS, Inc.	January 2018	Integrated POS
CS, LLC	December 2017	Public Sector
SDCR, Inc.	October 2017	Integrated POS
Fairway	August 2017	Healthcare and Non-Profit
CCP, Inc.	June 2017	Education
CSC, LLC	December 2016	Healthcare and Non-Profit
Randall, Inc.	June 2016	Integrated POS
Axia	April 2016	Healthcare, Non-Profit, B2B
Fullerton, Inc.	March 2016	Education
SkyHill, Inc.	January 2016	Bill Presentment Software
Infintech	July 2015	B2Bs, Public Sector
PBS	May 2015	Non-Profit, Agent Bank, Hospitality
Local Level	May 2015	Education
EZ-Pay	March 2015	Education
Rentshare, Inc.	December 2014	Property Management
PaySchools	April 2014	Education

Our Competition

We compete with a variety of merchant acquirers that have different business models, go-to-market strategies and technical capabilities. We believe the most significant competitive factors in our markets are:

- (1) trust, including a strong reputation for quality service and trusted distribution partners;
- (2) convenience, such as speed in approving applications, client onboarding and dispute resolution;
- (3) service, including product functionality, value-added solutions and strong customer support; and
- (4) economics, including fees charged to clients and residuals and incentives offered to distribution partners.

Our competitors range from large and well established companies to smaller, earlier-stage businesses. See “Risk Factors—Risks Related to Our Business and Industry—The payment processing industry is highly competitive. Such competition could adversely affect the fees we receive, and as a result, our margins, business, financial condition and results of operations.”

Government Regulation

We operate in an increasingly complex legal and regulatory environment. Our business and the products and services that we offer are subject to a variety of federal, state and local laws and regulations and the rules and

standards of the payment networks that we utilize to provide our electronic payment services, as more fully described below.

Dodd-Frank Act

The Dodd-Frank Act and the related rules and regulations have resulted in significant changes to the regulation of the financial services industry. Changes impacting the electronic payment industry include providing merchants with the ability to set minimum dollar amounts for the acceptance of credit cards and to offer discounts or incentives to entice consumers to pay with cash, checks, debit cards or credit cards, as the merchant prefers. New rules also contain certain prohibitions on payment network exclusivity and merchant routing restrictions of debit card transactions. Additionally, the Durbin Amendment to the Dodd-Frank Act provides that the interchange fees that certain issuers charge merchants for debit transactions will be regulated by the Federal Reserve and must be "reasonable and proportional" to the cost incurred by the issuer in authorizing, clearing and settling the transactions. Rules released by the Federal Reserve in July 2011 to implement the Durbin Amendment mandate a cap on debit transaction interchange fees for issuers with assets of \$10 billion or greater.

The Dodd-Frank Act also created the CFPB, which has assumed responsibility for most federal consumer protection laws, and the Financial Stability Oversight Council, which has the authority to determine whether any non-bank financial company, such as us, should be supervised by the Board of Governors of the Federal Reserve System because it is systemically important to the U.S. financial system. Any new rules or regulations implemented by the CFPB or the Financial Stability Oversight Council or in connection with Dodd-Frank Act that are applicable to us, or any changes that are adverse to us resulting from litigation brought by third parties challenging such rules and regulations, could increase our cost of doing business or limit permissible activities.

Privacy and Information Security Regulations

We provide services that may be subject to privacy laws and regulations of a variety of jurisdictions. Relevant federal privacy laws include the Gramm-Leach-Bliley Act of 1999, which applies directly to a broad range of financial institutions and indirectly, or in some instances directly, to companies that provide services to financial institutions. These laws and regulations restrict the collection, processing, storage, use and disclosure of personal information, require notice to individuals of privacy practices and provide individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These laws also impose requirements for safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. Our business may also be subject to the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act of 2003, which regulate the use and reporting of consumer credit information and also imposes disclosure requirements on entities who take adverse action based on information obtained from credit reporting agencies. In addition, there are state laws restricting the ability to collect and utilize certain types of information such as Social Security and driver's license numbers. Certain state laws impose similar privacy obligations as well as obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and consumer reporting agencies and businesses and governmental agencies that possess data.

Anti-Money Laundering and Counter-Terrorism Regulation

Our business is subject to U.S. federal anti-money laundering laws and regulations, including the Bank Secrecy Act of 1970, as amended by the USA PATRIOT Act of 2001, which we refer to collectively as the "BSA." The BSA, among other things, requires money services businesses to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity and maintain transaction records. We are also subject to certain economic and trade sanctions programs that are administered by OFAC that prohibit or restrict transactions to or from (or transactions dealing with) specified countries, their governments and, in certain circumstances, their nationals, narcotics traffickers and terrorists or terrorist organizations. Similar anti-money laundering, counter terrorist financing and proceeds of crime laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified on lists maintained by organizations similar to OFAC in several other countries and which may impose specific data retention obligations or prohibitions on intermediaries in the payment process. We have developed and continue to enhance compliance programs and policies to monitor and address related legal and regulatory requirements and developments.

Unfair or Deceptive Acts or Practices

We and many of our clients are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices. In addition, laws prohibiting these activities and other laws, rules and or regulations, including the Telemarketing Sales Act, may directly impact the activities of certain of our clients, and in some cases

may subject us, as the client's payment processor or provider of certain services, to investigations, fees, fines and disgorgement of funds if we are deemed to have aided and abetted or otherwise provided the means and instrumentalities to facilitate the illegal or improper activities of the client through our services. Various federal and state regulatory enforcement agencies including the Federal Trade Commission and the states attorneys general have authority to take action against non-banks that engage in unfair or deceptive acts or practices or violate other laws, rules and regulations and to the extent we are processing payments or providing services for a client that may be in violation of laws, rules and regulations, we may be subject to enforcement actions and as a result may incur losses and liabilities that may impact our business.

In addition, the CFPB has recently attempted to extend certain provisions of the Dodd-Frank Act that prevent the employment of UDAAP to payment processors. Though there is still litigation involving whether payment processing companies are subject to these requirements (and the extent of its application), these requirements may apply or be applicable in the future. UDAAPs could involve omissions or misrepresentations of important information to consumers or practices that take advantage of vulnerable consumers, such as elderly or low-income consumers.

Stored Value Services

Stored value cards, store gift cards and electronic gift certificates are subject to various federal and state laws and regulations, which may include laws and regulations related to consumer and data protection, licensing, consumer disclosures, escheat, anti-money laundering, banking, trade practices and competition and wage and employment. The clients who utilize the gift card processing products and services that we may sell may be subject to these laws and regulations. In the future, if we seek to expand these stored value card products and services, or as a result of regulatory changes, we may be subject to additional regulation and may be required to obtain additional licenses and registrations which we may not be able to obtain.

The Credit Card Accountability Responsibility and Disclosure Act of 2009 (the "Card Act") created new requirements applicable to general-use prepaid gift cards, store gift cards and electronic gift certificates. The Card Act, along with the Federal Reserve's amended Regulation E, created new requirements with respect to these cards and electronic certificates. These include certain prohibited features and revised disclosure obligations. Prepaid services may also be subject to the rules and regulations of Visa, Mastercard, Discover and American Express and other payment networks with which our clients and the card issuers do business. The clients who utilize the gift card processing products and services that we may sell are responsible for compliance with all applicable rules and requirements relating to their gift product program.

Additionally, the Financial Crimes Enforcement Network of the U.S. Department of the Treasury, or FinCEN, issued a final rule in July 2011 regarding the applicability of the Bank Secrecy Act's regulations to "prepaid access" products and services. This rulemaking clarifies the anti-money laundering obligations for entities engaged in the provision and sale of prepaid services, such as prepaid gift cards. We are not registered with FinCEN based on our determination that our current products and services do not constitute a "prepaid program" as defined in the Bank Secrecy Act and we are not a "provider" of prepaid access. We may in the future need to register with FinCEN as a "money services business-provider of prepaid access" in accordance with the rule based on changes to our products or services.

Indirect Regulatory Requirements

Certain of our distribution partners are financial institutions that are directly subject to various regulations and compliance obligations issued by the CFPB, the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration and other agencies responsible for regulating financial institutions, which includes state financial institution regulators. While these regulatory requirements and compliance obligations do not apply directly to us, many of these requirements materially affect the services we provide to our clients and us overall. The financial institution regulators have imposed requirements on regulated financial institutions to manage their third-party service providers. Among other things, these requirements include performing appropriate due diligence when selecting third-party service providers; evaluating the risk management, information security, and information management systems of third-party service providers; imposing contractual protections in agreements with third-party service providers (such as performance measures, audit and remediation rights, indemnification, compliance requirements, confidentiality and information security obligations, insurance requirements, and limits on liability); and conducting ongoing monitoring, diligence and audit of the performance of third-party service providers. Accommodating these requirements applicable to our clients imposes additional costs and risks in connection with our financial institution

relationships. We expect to expend significant resources on an ongoing basis in an effort to assist our clients in meeting their legal requirements.

Payment Network Rules and Standards

Payment networks establish their own rules and standards that allocate liabilities and responsibilities among the payment networks and their participants. These rules and standards, including the Payment Card Industry Data Security Standards, govern a variety of areas including how consumers and clients may use their cards, the security features of cards, security standards for processing, data security and allocation of liability for certain acts or omissions including liability in the event of a data breach. The payment networks may change these rules and standards from time to time as they may determine in their sole discretion and with or without advance notice to their participants. These changes may be made for any number of reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants, or to serve the strategic initiatives of the networks and may impose additional costs and expenses on or be disadvantageous to certain participants. Participants are subject to audit by the payment networks to ensure compliance with applicable rules and standards. The networks may fine, penalize or suspend the registration of participants for certain acts or omissions or the failure of the participants to comply with applicable rules and standards.

An example of a recent standard is the “chip and pin” or “chip and signature” card requirement, known as EMV, which was mandated by Visa, Mastercard, American Express and Discover to be supported by payment processors by April 2013 and by merchants by October 2015. This mandate set new requirements and technical standards, including requiring IPOS systems to be capable of accepting the more secure “chip” cards that utilize the EMV standard and setting new rules for data handling and security. Processors and clients that do not comply with the mandate or do not use systems that are EMV compliant risk fines and liability for fraud-related losses. We have invested significant resources to ensure our systems’ compliance with the mandate, and to assist our clients in becoming compliant.

To provide our electronic payment services, we must be registered either indirectly or directly as service providers with the payment networks that we utilize. Because we are not a bank, we are not eligible for primary membership in certain payment networks, including Visa and Mastercard, and are therefore unable to directly access these networks. The operating regulations of certain payment networks, including Visa and Mastercard, require us to be sponsored by a member bank as a service provider. We are registered with certain payment networks, including Visa and Mastercard, through various sponsor banks. The agreements with our bank sponsors give them substantial discretion in approving certain aspects of our business practices including our solicitation, application and qualification procedures for clients and the terms of our agreements with clients. We are also subject to network operating rules and guidelines promulgated by the NACHA relating to payment transactions we process using the Automated Clearing House Network. Like the card networks, NACHA may update its operating rules and guidelines at any time and we will be subject to these changes. These operating rules and guidelines allocate responsibility and liabilities to the various participants in the payment network. Recently, NACHA has focused upon data security and privacy responsibilities. We are subject to audit by our partner financial institutions for compliance with the rules and guidelines. Our sponsor financial institutions have substantial discretion in approving certain aspects of our business practices including the terms of our agreements with our ACH processing clients.

Money Transmitter Regulation

We are subject to various U.S. federal, state, and foreign laws and regulations governing money transmission and the issuance and sale of payment instruments, including some of the prepaid products we may sell.

In the United States, most states license money transmitters and issuers of payment instruments. These states not only regulate and control money transmitters, but they also license entities engaged in the transmission of funds. Many states exercise authority over the operations of our services related to money transmission and payment instruments and, as part of this authority, subject us to periodic examinations. Many states require, among other things, that proceeds from money transmission activity and payment instrument sales be invested in high-quality marketable securities before the settlement of the transactions or otherwise restrict the use and safekeeping of such funds. Such licensing laws also may cover matters such as regulatory approval of consumer forms, consumer disclosures and the filing of periodic reports by the licensee, and require the licensee to demonstrate and maintain specified levels of net worth. Many states also require money transmitters, issuers of payment instruments, and their agents to comply with federal and/or state anti-money laundering laws and regulations.

Other Regulation

We are subject to U.S. federal and state unclaimed or abandoned property (escheat) laws which require us to turn over to certain government authorities the property of others we hold that has been unclaimed for a specified period of time such as account balances that are due to a distribution partner or client following discontinuation of its relationship with us. The Housing Assistance Tax Act of 2008 requires certain merchant acquiring entities and third-party settlement organizations to provide information returns for each calendar year with respect to payments made in settlement of electronic payment transactions and third-party payment network transactions occurring in that calendar year. Reportable transactions are also subject to backup withholding requirements.

The foregoing is not an exhaustive list of the laws and regulations to which we are subject and the regulatory framework governing our business is changing continuously. See "Risk Factors—Risks Related to Our Business and Industry."

Our Intellectual Property

Certain of our products and services are based on proprietary software and related payment systems solutions. We rely on a combination of copyright, trademark, and trade secret laws, as well as employee and third-party non-disclosure, confidentiality, and contractual arrangements to establish, maintain, and enforce our intellectual property rights in our technology, including with respect to our proprietary rights related to our products and services. In addition, we license technology from third parties who are integrated into some of our solutions.

We own a number of registered federal service marks, including i3 Verticals®, PaySchools® and Axia®. We also own a number of domain names, including www.i3verticals.com.

Our Employees

As of March 31, 2018, we had 326 employees. None of our employees is represented by a labor union and we have experienced no work stoppages. We consider our employee relations to be in good standing.

Our Facilities

We maintain several offices across the United States, all of which we lease. We believe this geographic diversity allows us a competitive advantage by having a presence in many markets.

Our office locations include our corporate headquarters in Nashville, Tennessee with approximately 10,000 leased square feet, offices in Atlanta, Georgia with approximately 8,000 leased square feet, and additional leased office space in the following cities:

- Alexandria, VA
- Canton, OH
- Cincinnati, OH
- Centennial, CO
- Honolulu, HI
- Long Beach, CA
- New York, NY
- Owensboro, KY
- San Diego, CA
- Santa Barbara, CA
- Seattle, WA
- Shamokin Dam, PA
- Wellington, FL
- Wixom, MI
- Woodstock, GA.

We operate three dedicated call centers staffed by a total of approximately 50 employees. Our Atlanta, Georgia call center provides services and support for several of our businesses, including within our education vertical. Our Woodstock, Georgia call center provides services and support for our public sector vertical. Our San

Diego, California call center operates 24/7/365 and provides services and support for the integrated NCR POS products.

We believe our existing facilities are adequate to support our existing operations and, as needed, we will be able to obtain suitable additional facilities on commercially reasonable terms.

Legal Proceedings

From time to time, we are involved in various litigation matters arising in the ordinary course of our business. We do not believe that any of these matters, individually or in the aggregate, are currently material to us.

On June 14, 2016, Expert Auto Repair, Inc. and Jeff Straight initiated a class action lawsuit against us, as a successor to Merchant Processing Solutions, LLC, in the Los Angeles County Superior Court of California, seeking damages, restitution and declaratory and injunctive relief (the "Expert Auto Litigation"). The plaintiffs alleged that our purported predecessor engaged in unfair business practices in the merchant services sector including unfairly inducing merchants to obtain credit and debit card processing services and thereafter assessing them with improper fees. Subject to preliminary and final court approval, we have entered into a settlement agreement to settle the plaintiffs' claims for \$1.0 million. On April 10, 2018, the Court granted conditional class certification and preliminary approval of the agreed settlement, and scheduled the final fairness hearing and final approval of the settlement for December 2018.

In connection with the Expert Auto Litigation, on November 3, 2016 our insurance carrier, Starr Indemnity and Liability Company, Inc. ("Starr"), filed a complaint against us in the United States District Court for the Middle District of Tennessee, seeking a declaration that our insurance policies with Starr did not cover a settlement or award granted to the Expert Auto Litigation plaintiffs. This action was subsequently dismissed for lack of subject matter jurisdiction, prompting Starr to move the court to reconsider and on February 15, 2017 to file a complaint against us in the Twentieth Judicial District of the Davidson County Chancery Court of Tennessee repeating its federal court claims (although Starr has since dismissed the complaint in the Davidson County Chancery Court). Thereafter, after reconsidering its dismissal for lack of subject matter jurisdiction, the United States District Court for the Middle District of Tennessee revived Starr's complaint, allowing Starr's action to continue in federal court. On April 13, 2018, the court issued an order that continued the stay on discovery in the matter, required Starr to file a motion for judgment on the pleadings (which Starr filed on May 21, 2018), and required us to respond to such motion by June 8, 2018. On April 23, 2018, i3 Verticals, LLC filed its answer and counterclaim to Starr's complaint. We intend to vigorously defend against Starr's claims.

MANAGEMENT

The following table sets forth certain information as of May 20, 2018 about our executive officers and members of our Board of Directors:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Gregory Daily	59	Chief Executive Officer and Chairman
Clay Whitson	60	Chief Financial Officer and Director
Rick Stanford	57	President
Robert Bertke	49	Chief Technology Officer
Scott Meriwether	36	Senior Vice President — Finance
Paul Maple	44	General Counsel and Secretary
Elizabeth Seigenthaler Courtney	54	Director
John Harrison	61	Director
Burton Harvey	54	Director
Timothy McKenna	64	Director
David Morgan	66	Director
David Wilds	78	Lead Independent Director

Executive Officers

Gregory Daily has served as our Chief Executive Officer and Chairman of our Board of Directors since our formation in January 2018 and as the Chief Executive Officer of i3 Verticals, LLC and a member of i3 Verticals, LLC's board of directors since he founded i3 Verticals, LLC (formerly Charge Payment, LLC) in 2012. Before founding i3 Verticals, LLC, Mr. Daily founded iPayment, Inc. (Nasdaq: IPMT) in 2001 and served as its Chairman and Chief Executive Officer until his departure in 2011. In 1984, Mr. Daily co-founded PMT Services, Inc. (Nasdaq: PMT), a credit card processing company, and served as its President until the company was sold in 1998 to NOVA Corporation, where he continued to serve as Vice Chairman of the board of directors until 2001. Mr. Daily holds a Bachelor of Arts from Trevecca Nazarene University. Mr. Daily's detailed knowledge of our operations, finances, strategies and industry qualify him to serve as our Chief Executive Officer and as Chairman of our Board of Directors. For information related to a prior bankruptcy case involving Mr. Daily, please see "— Certain Legal Proceedings."

Clay Whitson has served as our Chief Financial Officer since our formation in January 2018 and as the Chief Financial Officer and Secretary of i3 Verticals, LLC and a member of i3 Verticals, LLC's board of directors since May 2014. Before joining i3 Verticals, LLC, Mr. Whitson was the Chief Financial Officer at Edo Interactive, a provider of card-linked services, from October 2010 to April 2014. From 2002 to 2010, Mr. Whitson served as Chief Financial Officer and Treasurer of iPayment, Inc. (Nasdaq: IPMT) and as a member of its board of directors from 2002 to 2006. Prior to 2002, he served in a variety of roles, including as Chief Financial Officer for The Corporate Executive Board (Nasdaq: EXBD) from 1998 to 2002, Secretary of the Corporate Executive Board from 1999 to 2002, Treasurer of the Corporate Executive Board from 2000 to 2002 and as Chief Financial Officer and Treasurer of PMT Services, Inc. (Nasdaq: PMT) from 1996 to 1998. Mr. Whitson holds a Bachelor of Arts from Southern Methodist University and a Masters of Business Administration from the University of Virginia Darden School of Business. We believe Mr. Whitson's extensive knowledge of our operations, finances, strategies and industry make him well-qualified to serve on our Board of Directors.

Rick Stanford has served as our President since our formation in January 2018, as the President of i3 Verticals, LLC since November 2017 and as the Executive Vice President of i3 Verticals, LLC from January 2013 to October 2017. In his role as our President and in his previous roles with i3 Verticals, LLC, Mr. Stanford is and has been responsible for acquisitions, among other duties. Prior to joining i3 Verticals, LLC, Mr. Stanford was Chief Marketing Officer for Direct Connect, a provider of electronic payment processing solutions, from 2011 to 2012, Senior Vice President of Sales for Sage Payment Solutions, a provider of online and cloud business management services, from 2009 to 2011, Vice President of Verus Financial Management from 2006 to 2009 prior to its acquisition by Sage Payment Solutions, Executive Vice President of Network 1 Financial, Inc. from 1999 to

2006 prior to its acquisition by Verus Financial Management and Vice President of PMT Services, Inc. (Nasdaq: PMT) from 1989 to 1999. Mr. Stanford holds a Bachelor of Science from the University of Memphis.

Robert Bertke has served as our Chief Technology Officer since March 2018 and previously served as Executive Vice President—Information Technology from our formation in January 2018. Mr. Bertke has served as Chief Technology Officer of i3 Verticals, LLC since March 2018 and previously served as Executive Vice President—Information Technology of i3 Verticals, LLC from August 2016 to March 2018. Prior to joining i3 Verticals, LLC, Mr. Bertke held leadership positions as Senior Vice President of Research & Development at Sage Payment Solutions from December 2008 to January 2016, as Group Vice President at SunTrust Bank, Inc. (NYSE: STI) from 2005 to 2008, as Program Manager at Open Business Exchange from 2002 to 2004 and as Managing Consultant/Product Development at American Express Company (NYSE: AXP) from 1996 to 2002. Mr. Bertke holds a Bachelor of Business Administration from Georgia State University.

Scott Meriwether has served as our Senior Vice President of Finance since our formation in January 2018 and as the Senior Vice President of Finance of i3 Verticals, LLC since March 2017 and the Vice President of Finance of i3 Verticals, LLC from April 2014 to February 2017. Prior to joining i3 Verticals, LLC, Mr. Meriwether served as the Vice President of Finance at Metro Medical Supply, Inc., a pharmaceutical and medical supply company, from December 2010 to April 2014, before which he served as the Assistant Treasurer of iPayment, Inc. (Nasdaq: IPMT). Mr. Meriwether's career began at PricewaterhouseCoopers, LLP where he served as Senior Associate. Mr. Meriwether holds a Bachelor of Arts from the University of Tennessee (Knoxville) and is an inactive Certified Public Accountant in the state of Tennessee.

Paul Maple has served as our General Counsel and Secretary since our formation in January 2018 and as the General Counsel of i3 Verticals, LLC since June 2017. Prior to joining i3 Verticals, LLC, Mr. Maple served as Chief Compliance Officer and Assistant General Counsel at CLARCOR, Inc. (NYSE: CLC), a filtration systems and packaging materials manufacturer, from May 2007 to May 2017. Prior to serving at CLARCOR, Inc., he was a partner at the law firm of Waller Lansden Dortch & Davis, LLP. Mr. Maple holds a Bachelor of Arts from Harding University and a Juris Doctor from the University of Mississippi.

Directors and Director Nominees

For the principal occupation and employment experience of Mr. Daily and Mr. Whitson during the last five years, see “—Executive Officers.”

Elizabeth Seigenthaler Courtney has served on our Board of Directors since May 2018. Since March 2015, Ms. Courtney has served as President and Managing Partner of DVL Seigenthaler, a public relations firm and a part of Finn Partners, Inc., a provider of marketing communications services. In 1987, Ms. Courtney joined Seigenthaler Public Relations, Inc., a provider of public relations services, where she served as Chairman and CEO from 2004 to March 2015. Ms. Courtney currently serves on the board of directors of Richards & Richards, Inc., a provider of information management services, and served as chairman of the LocalShares Investment Trust, an investment fund, from May 2013 to September 2017. She currently serves as the Chairman of the Nashville Convention and Visitors' Corporation and also serves on the boards of directors of Boys and Girls Clubs of Middle Tennessee, the Ensworth School, Nashville Public Radio and Tennessee Performing Arts Center. Ms. Courtney holds a B.A. in English and Communications from Boston College. We believe Ms. Courtney's communications, corporate governance, and business experience make her well qualified to serve on our Board of Directors.

John Harrison has served on our Board of Directors since August 2013. Mr. Harrison joined Harbert Management Corporation (“HMC”), an investment fund, in February 2000, where he serves as the Senior Managing Director of the HMC Credit Solutions Team and oversees the daily functions of HMC's mezzanine investment activities. Mr. Harrison is a member of the Investment Committee of the Harbert European Growth Fund and is a director of HMC. Prior to joining HMC, he served as Vice President of Sirrom Capital Corporation, a business development company, when it was acquired by Finova Group Inc., a private equity firm. We believe Mr. Harrison's private equity investment and company oversight experience and background with respect to acquisitions, debt financings and equity financings make him well qualified to serve on our Board of Directors. For information related to a proceeding involving a company of which Mr. Harrison served as director, please see “—Certain Legal Proceedings.”

Burton Harvey has served on our Board of Directors since August 2016. Since January 2012, Mr. Harvey has served as Managing Partner of Capital Alignment Partners. Mr. Harvey began his career at Wachovia Bank, where he served as Vice President from 1988 to 1993. From 1994 to 1996 he worked for Bank of America as Vice President. Mr. Harvey has more than two decades of experience with senior and subordinated debt and private equity capital including management roles at Sirrom Capital Corporation, a specialty finance company, from 1996 to 2000 and as a Founding Partner at the Morgan Keegan Mezzanine Funds, an investment fund, where he served from 2000 to 2009. He currently serves as a board member of, or maintains visitation rights to, several boards, including Employment Staffing Partners, Inc., an employment staffing company, since 2010; Care Hospice, a provider of hospice services from 2013 to 2017; and Intermountain Drilling Supply Corp., a provider of drilling supplies and drilling products, since 2010. We believe Mr. Harvey's private equity investment and company oversight experience and background with respect to acquisitions, debt financings and equity financings make him well qualified to serve on our Board of Directors.

Timothy McKenna has served on our Board of Directors since 2012. Prior to his retirement in 2000, Mr. McKenna served as President of Fidelity Capital Markets, the institutional trading arm of Fidelity Investments. Before becoming President of Fidelity Capital Markets in 1996, he spent nine years in various other capacities at Fidelity Capital Markets, including Executive Vice President—Fixed Income. Mr. McKenna's early career was spent primarily in municipal bond trading and management at the First National Bank of Boston and Kidder, Peabody & Co. During those years, he also served on the boards of the Pacific and Cincinnati Stock Exchanges, as well as the Regional Advisory Committee of the New York Stock Exchange and the National Association of Security Dealers. We believe Mr. McKenna's extensive strategic, risk management and organizational leadership experience makes him well qualified to serve on our Board of Directors.

David Morgan has served on our Board of Directors since March 2018. Since June 2015, Mr. Morgan has served as the Chairman and Vice President of LBMC Financial Services, LLC, a provider of financial, human resources and technology services. From 1984 to May 2015, Mr. Morgan worked with Lattimore Black Morgan & Cain, PC ("LBMC"), a certified public accountant and consulting firm, which he co-founded in 1984. At LBMC, he held different roles including the last 25 years as President. Mr. Morgan currently serves as the Treasurer and the Finance Committee Chairman of the Nashville Symphony and as Chairman of the Finance Committee of the Tennessee Society of Certified Public Accountants, where he has previously served as President and as a member of the board of directors. Mr. Morgan also previously served on the board of directors of the American Institute of Certified Public Accountants. Mr. Morgan holds a B.S. in Accounting from Tennessee Technological University and is a Certified Public Accountant in the state of Tennessee. We believe Mr. Morgan's accounting and financial expertise make him well qualified to serve on our Board of Directors.

David Wilds has served on our Board of Directors since 2012. Mr. Wilds is actively involved in managing the private equity investments of First Avenue Partners, a private equity fund that he founded in 1998 and of which he is the managing partner. From 1998 to August 2017, Mr. Wilds served at TFO, LLC, a global investment manager, including as Chief Executive Officer. Mr. Wilds was a principal with Nelson Capital Group from 1995 to 1998, Chairman of the Board for Cumberland Health Systems, Inc., an operator of hospitals and medical centers, from 1990 to 1995, and a partner at J.C. Bradford & Company, a banking and brokerage firm, from 1969 to 1990, where he was the head of research and institutional equity sales. Mr. Wilds has served as a member of the board of directors of several public companies, including iPayment, Inc. (Nasdaq: IPMT), Dollar General Corporation (NYSE: DG), Symbion, Inc. (Nasdaq: SMBI), Internet Pictures Corporation (Nasdaq: IPIXQ), and Comdata Holdings Corporation (Nasdaq: CMDT). Mr. Wilds serves or has served on the board of directors for a number of growth companies, including ILD Telecommunications, Inc., a provider of online back-office support services and HCCA International, Inc., a healthcare company. We believe Mr. Wilds' experience as a public company director, private equity investment and company oversight experience and background with respect to acquisitions, debt financings and equity financings make him well qualified to serve as our Lead Independent Director.

Corporate Governance

Composition of our Board of Directors

Our business and affairs are managed under the direction of our Board of Directors. The number of directors will be fixed by our Board of Directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws, which will include a requirement that the number of directors be fixed exclusively by a resolution adopted by directors constituting a majority of the total number of authorized

directors, whether or not there exist any vacancies in previously authorized directorships. Our Board of Directors currently consists of eight directors.

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our Board of Directors to satisfy its oversight responsibilities effectively in light of our business and structure, the Board of Directors focuses primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business.

Corporate Governance Profile

We intend to structure our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure will include the following:

- our Board of Directors will not be classified, with each of our directors subject to re-election annually;
- we expect that a majority of our directors will satisfy the Nasdaq listing standards for independence;
- generally, all matters to be voted on by stockholders will be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all stockholders present in person or represented by proxy, voting together as a single class;
- we intend to comply with the requirements of the Nasdaq marketplace rules, including having committees comprised solely of independent directors; and
- we do not have a stockholder rights plan.

Our directors will stay informed about our business by attending meetings of our Board of Directors and its committees and through supplemental reports and communications. Our independent directors will meet regularly in executive sessions without the presence of our corporate officers or non-independent directors.

Role of the Board in Risk Oversight

One of the key functions of our Board of Directors is to provide informed oversight of our risk management process. Upon completion of this offering, our Board of Directors will administer this oversight function directly, with support from its two standing committees, the Audit Committee and the Compensation Committee, each of which will address risks specific to its respective areas of oversight. In particular, our Audit Committee will have the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including creating guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee will also monitor compliance with legal and regulatory requirements in addition to oversight of the performance of our internal audit function. Our Compensation Committee will assess and monitor whether any of our compensation policies and programs have the potential to encourage excessive risk-taking.

Director Independence

The Nasdaq marketplace rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominations committees be independent, or, if a listed company has no nominations committee, that director nominees be selected or recommended for the board's selection by independent directors constituting a majority of the board's independent directors. The Nasdaq marketplace rules further require that audit committee members satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act and that compensation committee members satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act.

Prior to the completion of this offering, our Board of Directors undertook a review of the independence of our directors and considered whether any director has a material relationship with us that could compromise that director's ability to exercise independent judgment in carrying out that director's responsibilities. Our Board of Directors has affirmatively determined that each of Ms. Courtney and Messrs. Harrison, McKenna, Morgan and Wilds qualify as an independent director, as defined under the applicable corporate governance standards of Nasdaq. These rules require that our Audit Committee be composed of at least three members, one of whom must be independent on the date of listing on the Nasdaq, a majority of whom must be independent within 90

days of the effective date of the registration statement containing this prospectus, and all of whom must be independent within one year of the effective date of the registration statement containing this prospectus.

Lead Independent Director

In connection with this offering, we will adopt corporate governance guidelines that will provide that one of our independent directors should serve as a lead independent director at any time when our Chief Executive Officer serves as the Chairman of our Board of Directors, or if the Chairman is not otherwise independent. Because Mr. Daily is our Chairman and is not an "independent director" as defined the Nasdaq marketplace rules, our Board of Directors has appointed Mr. Wilds as lead independent director to preside over periodic meetings of our independent directors, serve as a liaison between our Chairman and the independent directors and perform additional duties as our Board of Directors may otherwise determine or delegate from time to time.

Committees of the Board

Prior to the completion of this offering, our Board of Directors will establish an Audit Committee and a Compensation Committee. Each committee will operate under a charter approved by our Board of Directors. Following this offering, copies of each committee's charter will be posted on the Corporate Governance section of our website, www.i3verticals.com. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

Audit Committee. Upon completion of this offering, our Audit Committee will be comprised of Messrs. Morgan, Harrison and Wilds, each of whom is an independent director. Mr. Morgan will serve as the chair of our Audit Committee. Prior to the completion of this offering, we expect to adopt an Audit Committee Charter, which will detail the functions of the Audit Committee, including, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- reviewing our annual and quarterly financial statements and reports and discussing the statements and reports with our independent auditors and management;
- reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation, and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing with management and our auditors any earnings announcements and other public announcements regarding material developments;
- establishing procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and other matters;
- preparing the report of the Audit Committee that the SEC requires in our annual proxy statement;
- overseeing risks associated with financial matters such as accounting, internal controls over financial reporting and financial policies;
- reviewing and providing oversight with respect to any related party transactions and monitoring compliance with our code of ethics; and
- reviewing and evaluating, at least annually, the performance of the Audit Committee, including compliance of the Audit Committee with its charter.

Our Board of Directors has determined that Mr. Morgan qualifies as an "audit committee financial expert" within the meaning of SEC rules and regulations. In making its determination that Mr. Morgan qualifies as an "audit committee financial expert," our Board of Directors has considered the formal education and nature and scope of Mr. Morgan's previous experience, coupled with past and present service on various audit committees. Upon completion of this offering, both our independent registered public accounting firm and management personnel periodically will meet privately with our Audit Committee.

Compensation Committee. Upon completion of this offering, our Compensation Committee will be comprised of Mr. McKenna and Ms. Courtney, with Mr. McKenna serving as chair of the Compensation Committee. Prior to

the completion of this offering, we expect to adopt a Compensation Committee Charter, which will detail the functions of the Compensation Committee, including, among other things:

- reviewing and recommending to our Board of Directors the compensation and other terms of employment of our executive officers;
- reviewing and recommending to our Board of Directors performance goals and objectives relevant to the compensation of our executive officers;
- evaluating and approving the equity incentive plans, compensation plans and similar programs advisable for us, as well as modification or termination of existing plans and programs;
- evaluating and recommending to our Board of Directors the type and amount of compensation to be paid or awarded to Board members;
- administering our equity incentive plans;
- reviewing and recommending to our Board of Directors policies with respect to incentive compensation and equity compensation arrangements;
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;
- evaluating and overseeing risks associated with compensation policies and practices;
- reviewing and recommending to our Board of Directors the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers and other members of senior management;
- preparing the report of the Compensation Committee that the SEC requires in our annual proxy statement;
- reviewing the adequacy of its charter on an annual basis; and
- reviewing and evaluating, at least annually, the performance of the Compensation Committee, including compliance of the Compensation Committee with its charter.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves or has served as a member of the Board of Directors or Compensation Committee (or other committee performing similar functions) of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee.

Code of Business Conduct and Ethics

Upon completion of this offering, our Board of Directors will establish a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. A current copy of the code will be posted on our website, which is located at www.i3verticals.com. Any amendments to our code of conduct will be disclosed on our Internet website promptly following the date of such amendment or waiver. The information on any of our websites is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Certain Legal Proceedings

In 2002, Mr. Daily was personally named in a lawsuit in the Superior Court of Los Angeles, California related to a purported contractual relationship between a third party and iPayment, Inc., a company for which he served as its Chairman and Chief Executive Officer until his departure in 2011. Mr. Daily was alleged to have interfered with such contract. In 2009, a jury rendered a \$350 million judgment against Mr. Daily in this lawsuit. As a result of this judgment, Mr. Daily filed for personal bankruptcy protection under Chapter 11 of the Bankruptcy Code in May 2009. The claims in the bankruptcy proceeding relating to this judgment were settled through the redemption of Mr. Daily's ownership in iPayment, Inc. for \$118.5 million. Mr. Daily received a full discharge and the final decree was issued in December 2011.

Mr. Harrison has served as a director of HMC since 2004 and may be deemed a control person of HMC. Prior to March 2009, HMC was affiliated with entities that acted as the general partners of funds related to Harbinger Capital Partners LLC ("Harbinger") managed by Philip Falcone. In June 2012, the SEC filed civil fraud charges against Mr. Falcone and Harbinger related to, among other things, its trading in certain corporate bonds in 2006 to

2008 that the SEC alleged to have been "manipulative" in violation of Section 10(b) of the Exchange Act. The SEC also sought to hold HMC derivatively liable as a "control person" under Section 20(A) of the Exchange Act. Mr. Harrison was not named as an individual defendant in the SEC proceeding. In June 2012, HMC settled with the SEC without admitting or denying liability. In connection with the settlement, HMC agreed to pay a civil fine of \$1 million and consented to an injunction restraining future violations of Section 10(b). In August 2013, Mr. Falcone and Harbinger settled with the SEC, resulting in civil penalties and, for Mr. Falcone, restrictions on practicing in the securities industry.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named under “—Fiscal Year 2017 Summary Compensation Table” below. In fiscal year 2017, our “named executive officers” and their positions were as follows:

- Gregory Daily, Chief Executive Officer;
- Clay Whitson, Chief Financial Officer; and
- Rick Stanford, President.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

Fiscal Year 2017 Summary Compensation Table

The following table sets forth information regarding the compensation earned by, or paid to, our named executive officers during the fiscal year ended September 30, 2017.

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Bonus ⁽²⁾ (\$)	Stock Awards ⁽³⁾ (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
Gregory Daily						
<i>Chief Executive Officer</i>	2017	5,711	—	—	5,141	10,852
Clay Whitson						
<i>Chief Financial Officer</i>	2017	200,000	50,000	—	9,141	259,141
Rick Stanford						
<i>President</i>	2017	240,000	60,000	—	10,264	310,264

(1) The salary paid to Mr. Daily equals the employee cost of Mr. Daily's health insurance premium.

(2) Represents discretionary cash incentive bonuses paid to each of our named executive directors in May 2017.

(3) In fiscal year 2017, Mr. Whitson and Mr. Stanford were each granted an aggregate of 135,113 Class P units (35,113 units were granted on November 29, 2016, and 100,000 units were granted on August 10, 2017), and no Class P units were granted to Mr. Daily. The Class P units cliff vest three years from the anniversary of the applicable grant date, subject to the individual's continued employment with i3 Verticals, LLC. The Class P units represent a right to a fractional portion of the profits and distributions of i3 Verticals, LLC in excess of a "participation threshold" that is set equal to an amount, as determined by the Board, that would be distributable to the members if immediately prior to the grant of the Class P units, i3 Verticals, LLC sold all of its assets for fair market value, paid all of its liabilities, and liquidated. As the Class P units issued to Messrs. Whitson and Stanford were issued at a participation threshold above the valuation of i3 Verticals, LLC on the grant date, the grant date fair value computed in accordance with ASC Topic 718 is zero.

(4) Represents health insurance premiums paid by i3 Verticals, LLC.

Narrative to Summary Compensation Table

Each of our named executive officers was provided with the following material elements of compensation in the year ended September 30, 2017:

Base Salaries

Since i3 Verticals, LLC's founding in 2012, the compensation program for the named executive officers has reflected that of a privately-held, high growth company. In this regard, while cash compensation in the form of base salaries has been set generally below market for senior management, since 2012 management has been incentivized through increasing the valuation of their equity ownership in i3 Verticals, LLC. For example, during fiscal year 2017, Mr. Daily elected to receive only a nominal salary that was equivalent to the employee cost of his

health insurance premiums. In addition, the salaries for Messrs. Whitson and Stanford have not changed since they joined i3 Verticals, LLC and remained at \$200,000 and \$240,000, respectively, in fiscal year 2017.

Annual Cash Incentive Awards

Annual cash bonuses are a key component of our executive compensation strategy and represented approximately 25% of the total compensation paid to our named executive officers in fiscal 2017. The compensation committee of i3 Verticals, LLC retained the right to award cash bonuses to the named executive officers in its sole discretion and sound business judgment, if the committee determined that a named executive officer made a significant contribution to i3 Verticals, LLC's success. Although the Company's fiscal year ends September 30, the compensation committee has historically awarded cash incentive awards following each calendar year. The annual incentive bonuses actually awarded to each named executive officer in March 2017 were ultimately based on a discretionary performance evaluation conducted by our compensation committee and Chief Executive Officer, in consultation with other executive officers. The determination involved an analysis of both (i) the Company's overall performance, including significant growth in fiscal year 2016 and (ii) the performance of the individual officer and his contributions to the Company. The compensation committee decided, in consultation with Mr. Daily, to award no bonus to Mr. Daily due to his considerable ownership share in our Company.

Equity Compensation

Profits Interests. Pursuant to the i3 Verticals LLC Agreement, certain of our employees, including each of our named executive officers, currently hold profits interests in i3 Verticals, LLC in the form of Class P units. In fiscal year 2017, Messrs. Whitson and Stanford were each granted an aggregate of 135,113 Class P units (100,000 units each were granted on August 10, 2017 and 35,113 units each were granted on November 29, 2016). The Class P units cliff vest three years from the anniversary of the applicable grant date, subject to the individual's continued employment with i3 Verticals, LLC. The Class P units represent a right to a fractional portion of the profits and distributions of i3 Verticals, LLC in excess of a "participation threshold" that is set equal to an amount, as determined by the Board of Directors, that would be distributable to i3 Verticals, LLC's members if immediately prior to the grant of the Class P units, i3 Verticals, LLC sold all of its assets for fair market value, paid all of its liabilities, and liquidated.

Other Elements of Compensation

Retirement Plans. We currently maintain a 401(k) savings plan for eligible employees, including our named executive officers. We will provide discretionary matching contributions to 401(k) plan participants beginning January 1, 2018. We do not maintain a defined benefit pension plan.

Employee Benefits. Eligible employees, including our named executive officers, participate in broad-based and comprehensive employee benefit programs, including medical, dental, vision, life and disability insurance. Our named executive officers participate in these programs on the same basis as eligible employees.

No Tax Gross-Ups. We do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by our company.

Employment Agreements. Other than Mr. Whitson's employment agreement, we currently do not have any employment agreements with our named executive officers. Pursuant to Mr. Whitson's employment agreement, he receives an annual base salary of \$200,000, reviewed annually by the Compensation Committee, and is eligible to participate in standard benefit plans. Mr. Whitson is also eligible to receive an annual performance bonus payment equal to 50% of his base salary for achieving performance criteria established by the board of directors.

Under Mr. Whitson's employment agreement, if we terminate his employment without "Cause" or Mr. Whitson terminates his employment for "Good Reason" (as such terms are defined therein), then in addition to any accrued amounts of base salary and bonuses earned but not yet paid, Mr. Whitson is entitled to receive (1) employee and fringe benefits under any and all employee benefit plans which are from time to time generally made available to the executive employees of i3 Verticals, LLC, for a period of twelve months after the date of termination, (2) a pro-rata portion of his annual bonus payment for the fiscal year in which termination occurs, assuming achievement of any applicable performance objectives, paid in a lump sum within 60 days of Mr.

Whitson's termination, and (3) twelve months of his base salary. If Mr. Whitson's employment is terminated within six months of a Change in Control (as defined in the agreement), Mr. Whitson is entitled to a lump sum payment equal to (1) a year of his annual base salary at the time of the Change in Control, (2) his annual bonus for the previous year, and (3) one year of benefits which he was receiving at time of the termination.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes the number of outstanding equity awards held by each of our named executive officers as of September 30, 2017.

Name	Number of Profits Interests That Have Not Vested (#)	Market Value of Profits Interests That Have Not Vested (\$) ⁽¹⁾
Gregory Daily	0	0
Clay Whitson	165,113	15,842
Rick Stanford	165,113	15,842

(1) There is no public market for the Class P units. For purposes of this disclosure, we have valued the Class P units using a third-party valuation of the value per share of Class P units as of September 30, 2017. The amount reported above under the heading "Market Value of Profits Interests That Have Not Vested" reflects the intrinsic value of the profits interests as of September 30, 2017.

Fiscal Year 2018 Executive Compensation Elements

The Compensation Committee determined the following with respect to our fiscal year 2018 executive compensation program, which includes the compensation of our named executive officers:

- *Base Salaries:* There were no salary changes for Messrs. Daily, Whitson and Stanford for fiscal year 2018. Mr. Daily will continue to receive a nominal salary to cover the cost of health insurance. Messrs. Whitson and Stanford will continue to receive base salaries of \$200,000 and \$240,000, respectively. Upon completion of the offering, Mr. Daily's nominal salary will remain unchanged and the salaries for Messrs. Whitson and Stanford will increase to \$225,000 and \$275,000, respectively.
- *Annual Cash Incentive Awards:* Consistent with its historical practice of awarding cash incentive awards following each calendar year, in March 2018, the compensation committee of i3 Verticals, LLC determined it appropriate to approve the following cash incentive bonuses to the named executive officers: no bonus for Mr. Daily, \$50,000 for Mr. Whitson and \$60,000 for Mr. Stanford. The annual incentive bonuses awarded to each named executive officer in March 2018 were ultimately based on a discretionary performance evaluation conducted by our compensation committee and Chief Executive Officer, in consultation with other executive officers. The determination involved an analysis of both (i) the Company's overall performance, including significant growth in fiscal year 2017 and (ii) the performance of the individual officer and his contributions to the Company. The compensation committee decided, in consultation with Mr. Daily, to award no bonus to Mr. Daily due to his considerable ownership share in our Company.

Equity Incentive Plans

i3 Verticals, LLC Amended and Restated Equity Incentive Plan

We adopted our Amended and Restated Equity Incentive Plan, or the Equity Plan, to promote the profitability of and growth of i3 Verticals, LLC by providing equity-based incentives to encourage certain key members of management and other service providers to i3 Verticals, LLC to contribute to i3 Verticals, LLC's growth and financial success. Of the 3,283,808 Class P units that were eligible for issuance pursuant to awards made under the Equity Plan, 2,222,060 Class P units were subject to outstanding unvested awards as of March 31, 2018. Although the Equity Plan remains in effect for awards granted under the Equity Plan, we will not make any additional awards under the Equity Plan.

2018 Equity Incentive Plan

In connection with this offering, we intend to adopt the 2018 Equity Incentive Plan, or 2018 Plan. The purpose of the 2018 Plan will be to attract and retain key officers, employees, directors and consultants, motivate such individuals by means of performance-related incentives to achieve long-range performance goals, enable such individuals to participate in our long-term growth and financial success, encourage ownership of our stock by such individuals, and link such individuals' compensation to the long-term interests of us and our stockholders.

The material terms of the 2018 Plan, as it is currently contemplated, are summarized below. Our Board of Directors is still in the process of developing, approving and implementing the 2018 Plan and, accordingly, this summary is subject to change.

Eligibility. Awards will be granted under the 2018 Plan to employees (including current and prospective officers), directors (including non-employee directors) and certain consultants of our company or of our subsidiaries or other affiliates. Only employees of us or any of our subsidiaries or other affiliates will be eligible to receive incentive stock options.

Administration, Amendment and Termination. Our Compensation Committee will have the power and authority to administer the 2018 Plan. The Compensation Committee will have the authority to interpret the terms and intent of the 2018 Plan, determine eligibility for and terms of awards for participants and make all other determinations necessary or advisable for the administration of the 2018 Plan. To the extent to be permitted by the terms of the 2018 Plan, the Compensation Committee charter, and applicable law, our Compensation Committee may delegate certain authority under the 2018 Plan to one or more officers or managers of us or any affiliate, or to a committee of such officers or managers under terms and limitations the Compensation Committee may establish.

Our Board of Directors will have the authority to amend, alter, suspend, discontinue or terminate the 2018 Plan at any time. No such action may be taken without the approval of stockholders if such approval is necessary to comply with any tax or regulatory requirement for which or with which the Board of Directors deems it necessary or desirable to comply. Furthermore, subject to the 2018 Plan's repricing restrictions, the Compensation Committee will be enabled to waive any conditions or rights under, amend any terms of or alter, suspend, discontinue, cancel or terminate, any award granted under the 2018 Plan, prospectively or retroactively, provided that any such action that would materially and adversely affect the rights of any participant or any holder or beneficiary of any such award will not to that extent be effective without consent.

Awards. Awards under the 2018 Plan may be made in the form of options, stock appreciation rights, restricted stock awards, restricted stock units, performance awards, other stock-based awards or any other rights, interests or options relating to shares or other property (including cash), whether singly, in combination, or in tandem.

Shares Subject to the Plan. Following this offering, the aggregate number of shares of our Class A common stock that may be issued initially pursuant to awards under the 2018 Plan is _____ shares. The maximum number of shares that may be issued pursuant to the exercise of incentive stock options under the 2018 Plan is _____ shares. The number of shares of Class A common stock available for issuance under the 2018 Plan also will include an annual increase on the first day of each year beginning with the 2019 calendar year, equal to 4.0% of the outstanding shares of all classes of our common stock as of the last day of the immediately preceding calendar year, unless the Board of Directors determines prior to the last trading day of December of the immediately preceding calendar year that the increase shall be less than 4%.

Shares issued under the 2018 Plan may be authorized but unissued shares or treasury shares. Any shares covered by an award, or portion of an award, granted under the 2018 Plan that are forfeited or canceled, expired or are settled in cash and shares used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award shall again be available for issuance under the 2018 Plan. If we satisfy withholding tax liabilities arising from an award other than an option or stock appreciation right by tendering or withholding shares, the shares so tendered or withheld shall again be available for issuance under the 2018 Plan. Shares that are issued in connection with substitute awards will not reduce the shares available for awards under the 2018 Plan or count against any limits otherwise set forth in the 2018 Plan.

Non-Employee Director Awards. The Board of Directors will be authorized to provide that all or a portion of a nonemployee director's annual retainer, meeting fees and/or other awards or compensation as determined by the

Board of Directors, be payable (either automatically or at the election of a non-employee director) in the form of non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units and/or other stock-based awards under the 2018 Plan, including unrestricted shares. The Board of Directors will determine the terms and conditions of any such awards, including the terms and conditions which will apply upon a termination of the non-employee director's service as a member of the Board of Directors, and will have full power and authority in its discretion to administer such awards, subject to the terms of the 2018 Plan and applicable law.

Adjustment of Shares Subject to the Plan. In the event of certain changes in our capitalization, the Compensation Committee will adjust, among other award terms, the number and class of shares, other securities or other property that may be delivered in connection with awards and the exercise price, grant price or purchase price relating to any award in such manner as the Compensation Committee determines to be appropriate in an equitable and proportionate manner. Furthermore, the Compensation Committee will adjust the aggregate number and class of shares or other securities (or the number and kind of other property) with respect to which awards may be granted under the 2018 Plan.

Effect of a Change in Control. The discussion below of the effects of a change in control (as defined in the 2018 Plan) applies to outstanding awards unless otherwise to be provided in an award agreement. Our 2018 Plan will provide that in the event of a change in control, as defined in our 2018 Plan, outstanding awards acquired under the 2018 Plan shall be subject to the agreement evidencing the change in control, which need not treat all outstanding awards in an identical manner. If the successor entity in the change in control continues, assumes or issues a substitute award for an award outstanding under the 2018 Plan, the award must provide that if, within twelve months after the Company obtains actual knowledge that a change in control has occurred, a participant's service relationship is actually or constructively involuntarily terminated by the Company or an affiliate (or any of their successors), all continued, assumed and substituted awards of such participant shall vest, become immediately exercisable and have all restrictions lifted. In addition, the agreement evidencing the change in control may provide for the full or partial acceleration of exercisability or vesting and accelerated expiration of an outstanding award, the lapse of the Company's right to repurchase or re-acquire shares acquired under an award, the lapse of forfeiture rights with respect to shares acquired under an award, and/or the settlement of the full value of such outstanding award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its parent, if any). With respect to awards granted to non-employee directors, in the event of a change in control, the participant will fully vest in options and SARs, all restrictions on his or her restricted stock and restricted stock units will lapse, and all other terms and conditions of such awards will be deemed to be met.

Director Compensation

During fiscal year 2017, none of our directors received cash compensation for their services as directors and none of our directors were granted Class P units. Each of our non-employee directors received a one-time initial grant of 83,722 Class P units at the time such director joined the Board of Directors of i3 Verticals, LLC, with the exception of Mr. Harvey who received 42,000 Class P units. As of September 30, 2017, there are no unvested profits interests held by non-employee directors.

Commencing with fiscal year 2018, each non-employee director that was a member of the board of directors of i3 Verticals, LLC prior to this initial public offering will be eligible to receive annually options to purchase 10,000 shares of Class A common stock pursuant to the 2018 Plan, with the first grant to occur in connection with this offering. With respect to any non-employee director that was not a member of the board of directors of i3 Verticals, LLC prior to this initial public offering (e.g., Mr. Morgan and Ms. Courtney), such non-employee director will be entitled to receive a \$30,000 annual cash retainer and a one-time grant of options to purchase 40,000 shares of Class A common stock pursuant to the 2018 Plan, with the grant to occur at the later of (i) the time of the offering or (ii) the director's appointment to the Board. The options granted to the non-employee directors will vest equally over a three-year period. When the one-time grant of options to purchase 40,000 shares of Class A common stock has fully vested, the director will be eligible to receive annually options to purchase 10,000 shares of Class A common stock pursuant to the 2018 Plan consistent with those non-employee directors that were members of the board of directors of i3 Verticals, LLC prior to this initial public offering. In addition, under the 2018 non-employee director compensation program, we will also pay an annual cash retainer of \$10,000 for serving as the chair of the Audit Committee or Compensation Committee. Additionally, all directors will be reimbursed for

their out-of-pocket expenses arising from attendance at meetings of the Board and its committees. Management directors do not receive any additional compensation for their service on the Board.

Certain Interests of Management and Directors in the Reorganization Transactions

In connection with the Reorganization Transactions, we will engage in certain transactions with certain of our directors, executive officers and other persons and entities which are or will become holders of 5% or more of our voting securities upon the consummation of the Reorganization Transactions. These transactions are described in "Our Organizational Structure."

i3 Verticals, LLC Related Party Debt**Mezzanine Notes**

In August 2013, i3 Verticals, LLC issued an aggregate of \$10.5 million of Mezzanine Notes to an affiliate of Harbert Management Corporation (\$5.25 million), in which John Harrison, our director, serves as a senior managing director, and certain affiliates of Capital Alignment Partners (\$5.25 million), in which Burton Harvey, our director, is a managing partner. The Mezzanine Notes bear interest at a rate of 12.0%, payable monthly, and the outstanding principal of \$10.5 million is payable at maturity on November 29, 2020. The Mezzanine Notes are subordinated to the Senior Secured Credit Facility. The Mezzanine Notes are redeemable at our option at any time prior to November 29, 2020, subject to five calendar days' prior written notice to the lenders. In connection with this transaction, the purchasers received warrants to purchase 1,423,688 common units of i3 Verticals, LLC at \$0.01 per unit. The Mezzanine Notes are secured by substantially all assets of i3 Verticals, LLC in accordance with the terms of the security agreement but are subordinate to the Senior Secured Credit Facility. As of March 31, 2018, the outstanding principal amount of the Mezzanine Notes was \$10.5 million. The amount of interest paid from October 1, 2014 to March 31, 2018 with respect to these Mezzanine Notes was \$4.2 million, and no principal payments were made during this period. We intend to cause i3 Verticals, LLC to use a portion of the proceeds from this offering to repay the Mezzanine Notes in full. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Use of Proceeds."

Junior Subordinated Notes

In February 2014 and July 2014, i3 Verticals, LLC issued notes payable in the total aggregate principal of \$17.6 million to unrelated and related creditors. Junior Subordinated Notes payable to related creditors included \$4.1 million to Greg Daily, our CEO, and parties affiliated with him, \$175,000 to Clay Whitson, our CFO, \$100,000 to Scott Meriwether, our SVP of Finance, and parties affiliated with him, \$283,000 to Hayes Bryant, a former member of our Board of Directors and our former interim CFO, and \$3.0 million to James Turner, Jr. and certain of his affiliates. The Junior Subordinated Notes accrue interest, payable monthly, at a fixed rate of 10.0% and mature on February 14, 2019, when all outstanding principal and accrued and unpaid interest are due. However, the unsecured notes are subordinated to the Mezzanine Notes and the Senior Secured Credit Facility, which both have maturities beyond the Junior Subordinated Notes. Should the Junior Subordinated Notes reach maturity and the current terms of the Mezzanine Notes and Senior Secured Credit Facility remain in place, the term of the Junior Subordinated Notes would be extended until after the maturity of the Mezzanine Notes and Senior Secured Credit Facility, in accordance with the terms of the Junior Subordinated Notes. For every \$1.0 million of Junior Subordinated Notes, the purchasers received warrants to purchase 81,436 common units of i3 Verticals, LLC at \$2.095 per unit. As of March 31, 2018, the outstanding principal amount of the Junior Subordinated Notes was \$16.1 million. The amount of interest paid from October 1, 2014 to March 31, 2018 with respect to these Junior Subordinated Notes was \$2.4 million, and no principal payments were made during this period.

In June 2016, Mr. Daily converted \$1.0 million of the Junior Subordinated Notes into 309,580 Class A units of i3 Verticals, LLC at a rate of \$3.23 per unit. In July 2017, Mr. Daily converted \$500,000 of the Junior Subordinated Notes into 147,929 Class A units of i3 Verticals, LLC at a rate of \$3.38 per unit. These transactions were in each case approved by the Board of Directors of i3 Verticals, LLC and its Class A unitholders.

As previously disclosed, in connection with the Reorganization Transactions we will issue _____ shares of our Class A common stock (based on the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) pursuant to a voluntary private note conversion with certain eligible holders of the Junior Subordinated Notes who have elected to convert approximately \$ _____ in aggregate indebtedness into Class A common stock. Of this indebtedness, approximately \$ _____ is attributable to the Continuing Equity Owners. We intend to cause i3 Verticals, LLC to use a portion of the proceeds from this offering to repay in full the remaining

balance of the Junior Subordinated Notes. For additional information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Use of Proceeds."

Daily Note

In May 2013, i3 Verticals, LLC issued an unsecured convertible note, as amended, in the total aggregate principal amount of \$1.0 million to Greg Daily, our CEO (the "Daily Note"). The Daily Note accrued interest at a fixed rate of 10.0%, payable monthly, and was set to mature on February 14, 2019, when all outstanding principal and accrued and unpaid interest was due. The Daily Note contained a conversion option into i3 Verticals, LLC's Class A units until the maturity date. On March 31, 2016, the Daily Note was converted according to its terms into 1,000,000 Class A units in i3 Verticals, LLC pursuant to the provisions of the note. The amount of interest paid with respect to the Daily Note from October 31, 2015 to March 31, 2016 was \$150,000.

Purchase of Common Units from Members of Management and Directors

We intend to use the net proceeds from this offering (including any net proceeds from any exercise of the underwriters' overallotment option) to purchase:

- (1) _____ common units (or _____ common units if the underwriters exercise their overallotment option in full) directly from i3 Verticals, LLC at a price per unit equal to the initial public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions, and
- (2) _____ common units directly from certain of the Continuing Equity Owners at a price per unit equal to the initial public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions.

The following table sets forth the cash proceeds certain of the Continuing Equity Owners will receive from our purchase of common units with the proceeds from this offering (based on the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), less the underwriting discounts and commissions:

Name	Assuming no exercise of the overallotment option		Assuming the overallotment option is exercised in full	
	Number of Common Units	Cash Proceeds	Number of Common Units	Cash Proceeds

i3 Verticals LLC Agreement

Agreement in Effect Before Consummation of this Offering

i3 Verticals, LLC and the Original Equity Owners are parties to the Third Amended and Restated Limited Liability Company Agreement of i3 Verticals, LLC, dated as of January 15, 2014, as amended by Amendment No. 1 dated as of November 14, 2014 and Amendment No. 2 dated as of June 30, 2016. This agreement, as amended (the "Existing LLC Agreement") governs the business operations of i3 Verticals, LLC and defines the relative rights and privileges associated with the existing units of i3 Verticals, LLC. Under the Existing LLC Agreement, the Board of Directors of i3 Verticals, LLC has the full, complete and exclusive authority to manage, direct and control the business, affairs and properties of i3 Verticals, LLC, and officers of i3 Verticals, LLC oversee the day-to-day business operations of i3 Verticals, LLC. Each Original Equity Owner's rights under the Existing LLC Agreement continue until the effective time of the i3 Verticals LLC Agreement to be adopted in connection with this offering, as described below, when the Continuing Equity Owners will continue as members that hold common units in i3 Verticals, LLC with the respective rights thereunder under the i3 Verticals LLC Agreement.

Agreement in Effect Upon Consummation of this Offering

In connection with the consummation of this offering, we and the Continuing Equity Owners will enter into an amended and restated i3 Verticals, LLC Limited Liability Company Agreement, which we refer to as the i3 Verticals LLC Agreement.

Appointment as Manager. Under the i3 Verticals LLC Agreement, i3 Verticals, Inc. will become a member and the sole manager of i3 Verticals, LLC. As the sole manager, we will be able to control all of the day-to-day business affairs and decision-making of i3 Verticals, LLC without the approval of any other member. Through our officers and directors, we will be responsible for all operational and administrative decisions of i3 Verticals, LLC and the day-to-day management of i3 Verticals, LLC's business. Under the i3 Verticals LLC Agreement, we cannot, under any circumstances, be removed or replaced as the sole manager of i3 Verticals, LLC except by our resignation, which may be given at any time by written notice to the members.

Appointment as Partnership Representative. We will be the "Partnership Representative" with respect to i3 Verticals, LLC. As such, we will represent i3 Verticals, LLC in connection with all examinations of its affairs by tax authorities.

Compensation, Fees and Expenses. We will not be entitled to compensation for our services as manager. We will be entitled to reimbursement by i3 Verticals, LLC for reasonable fees and expenses incurred on behalf of i3 Verticals, LLC, including all expenses associated with this offering, any subsequent offering of our Class A common stock, redemptions or exchanges of common units for Class A common stock, being a public company and maintaining our corporate existence.

Distributions. The i3 Verticals LLC Agreement will require "tax distributions" to be made by i3 Verticals, LLC to its members, as that term is used in the agreement, except to the extent such distributions would render i3 Verticals, LLC insolvent or are otherwise prohibited by law, by our Senior Secured Credit Facility or by any of our future debt agreements. Tax distributions will be made on a quarterly basis, to each member of i3 Verticals, LLC, including us, based on such member's allocable share of the taxable income of i3 Verticals, LLC and an assumed tax rate that we will determine. For this purpose, i3 Verticals, Inc.'s allocable share of i3 Verticals, LLC's taxable income shall be net of its share of taxable losses of i3 Verticals, LLC and shall be determined without regard to any Basis Adjustments (as described below under "—Tax Receivable Agreement"). The tax rate used to determine tax distributions will apply regardless of the actual final tax liability of any such members. Tax distributions will also be made only to the extent all distributions from the Company for the relevant period were otherwise insufficient to enable each member to cover its tax liabilities as calculated in the manner described above. The i3 Verticals LLC Agreement will also allow for cash distributions to be made by i3 Verticals, LLC (subject to our sole discretion as the sole manager of i3 Verticals, LLC) to its members on a pro rata basis out of "distributable cash," as that term is defined in the agreement. We expect i3 Verticals, LLC may make distributions out of distributable cash periodically and as necessary to enable us to cover our operating expenses and other obligations, including our tax liability and obligations under the Tax Receivable Agreement, except to the extent such distributions would render i3 Verticals, LLC insolvent or are otherwise prohibited by law, by our Senior Secured Credit Facility or by any of our future debt agreements.

Transfer Restrictions. The i3 Verticals LLC Agreement generally does not permit transfers of common units by members, except for transfers to permitted transferees, transfers pursuant to the participation right described below and transfers we approve in writing, as manager, and other limited exceptions. In the event of a permitted transfer under the i3 Verticals LLC Agreement, the transferring member will be required to simultaneously transfer shares of Class B common stock to such transferee equal to the number of common units that the member transferred to such transferee in the permitted transfer.

The i3 Verticals LLC Agreement provides that, if a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to our Class A common stock, each of which we refer to as a Pubco Offer, is approved by our Board of Directors or otherwise effected or to be effected with the consent or approval of our Board of Directors, each holder of common units of i3 Verticals, LLC shall be permitted to participate in such Pubco Offer by delivering a redemption notice, which shall be effective immediately prior to, and contingent upon, the consummation of such Pubco Offer. If a Pubco Offer is proposed by i3 Verticals, Inc., then i3 Verticals, Inc. is required to use its reasonable best efforts expeditiously and in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit the holders of such common

units to participate in such Pubco Offer to the same extent as or on an economically equivalent basis with the holders of shares of Class A common stock, provided that in no event shall any holder of common units of i3 Verticals, LLC be entitled to receive aggregate consideration for each common unit that is greater than the consideration payable in respect of each share of Class A common stock pursuant to the Pubco Offer.

Except for certain exceptions, any transferee of common units must assume, by operation of law or executing a joinder to the i3 Verticals LLC Agreement, all of the obligations of a transferring member with respect to the transferred units, and such transferee shall be bound by any limitations and obligations under the i3 Verticals LLC Agreement even if the transferee is not admitted as a member of i3 Verticals, LLC. A member shall remain as a member with all rights and obligations until the transferee is accepted as substitute member in accordance with the i3 Verticals LLC Agreement.

Maintenance of One-to-one Ratio between Shares of Class A Common Stock and Common Units Owned by i3 Verticals, Inc. and One-to-one Ratio between Shares of Class B Common Stock and Common Units Owned by the Continuing Equity Owners. In connection with this offering, we will issue to each Continuing Equity Owner for nominal consideration one share of Class B common stock for each common unit of i3 Verticals, LLC that such Continuing Equity Owner owns. The i3 Verticals LLC Agreement requires i3 Verticals, LLC to take all actions with respect to its common units, including issuances, reclassifications, distributions, divisions or recapitalizations, such that:

- (1) we at all times maintain a ratio of one common unit we own, directly or indirectly, for each share of Class A common stock we issue, and
- (2) i3 Verticals, LLC at all times maintains (a) a one-to-one ratio between the number of shares of Class A common stock we issue and the number of common units we own and (b) a one-to-one ratio between the number of shares of Class B common stock owned by the Continuing Equity Owners and the number of common units owned by the Continuing Equity Owners.

The ratio requirement disregards (1) shares of our Class A common stock under unvested options we issue, (2) treasury stock and (3) preferred stock or other debt or equity securities (including warrants, options or rights) we issue that are convertible into or redeemable or exchangeable for shares of Class A common stock, except to the extent we have contributed the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, redemption or exchange thereof, to the equity capital of i3 Verticals, LLC. In addition, the Class A common stock ratio requirement disregards all common units at any time held by any other person, including the Continuing Equity Owners and the holders of any options over common units. If we issue, transfer or deliver from treasury stock or repurchase shares of Class A common stock in a transaction not contemplated by the i3 Verticals LLC Agreement, we as manager have the authority to take all actions such that, after giving effect to all such issuances, transfers, deliveries or repurchases, the number of outstanding common units we own equals, on a one-for-one basis, the number of outstanding shares of Class A common stock. If we issue, transfer or deliver from treasury stock or repurchase or redeem any of our preferred stock in a transaction not contemplated by the i3 Verticals LLC Agreement, we as manager have the authority to take all actions such that, after giving effect to all such issuances, transfers, deliveries repurchases or redemptions, we hold (in the case of any issuance, transfer or delivery) or cease to hold (in the case of any repurchase or redemption) equity interests in i3 Verticals, LLC which (in our good faith determination) are in the aggregate substantially equivalent to our preferred stock so issued, transferred, delivered, repurchased or redeemed. i3 Verticals, LLC is prohibited from undertaking any subdivision (by any split of units, distribution of units, reclassification, recapitalization or similar event) or combination (by reverse split of units, reclassification, recapitalization or similar event) of the common units that is not accompanied by an identical subdivision or combination of (1) our Class A common stock to maintain at all times a one-to-one ratio between the number of common units we own and the number of outstanding shares of our Class A common stock, or (2) our Class B common stock to maintain at all times a one-to-one ratio between the number of common units owned by the Continuing Equity Owners and the number of outstanding shares of our Class B common stock, as applicable, in each case, subject to exceptions.

Issuance of Common Units upon Exercise of Options or Issuance of Other Equity Compensation. Upon the exercise of options we issue (as opposed to options issued by i3 Verticals, LLC), or our issuance of other types of equity compensation (such as the issuance of restricted or non-restricted stock, payment of bonuses in stock or settlement of stock appreciation rights in stock), we will have the right to acquire from i3 Verticals, LLC a number

of common units equal to the number of our shares of Class A common stock being issued in connection with the exercise of such options or issuance of other types of equity compensation. When we issue shares of Class A common stock in settlement of stock options granted to persons who are not officers or employees of i3 Verticals, LLC or its subsidiaries, we will make, or be deemed to make, a capital contribution in i3 Verticals, LLC equal to the aggregate value of such shares of Class A common stock, and i3 Verticals, LLC will issue to us a number of common units equal to the number of shares we issued. When we issue shares of Class A common stock in settlement of stock options granted to persons who are officers or employees of i3 Verticals, LLC or its subsidiaries, then we will be deemed to have sold directly to the person exercising such award a portion of the value of each share of Class A common stock equal to the exercise price per share, and we will be deemed to have sold directly to i3 Verticals, LLC (or the applicable subsidiary of i3 Verticals, LLC) the difference between the exercise price and market price per share for each such share of Class A common stock. In cases where we grant other types of equity compensation to employees of i3 Verticals, LLC or its subsidiaries, on each applicable vesting date (a) we will be deemed to have sold to i3 Verticals, LLC (or such subsidiary) the number of vested shares at a price equal to the market price per share, (b) i3 Verticals, LLC (or such subsidiary) will deliver the shares to the applicable person, and (c) we will be deemed to have made a capital contribution in i3 Verticals, LLC equal to the purchase price for such shares in redemption or exchange for an equal number of common units of i3 Verticals, LLC.

Dissolution. The i3 Verticals LLC Agreement will provide that the consent of i3 Verticals, Inc. as the managing member of i3 Verticals, LLC and members holding a majority of the voting units will be required to voluntarily dissolve i3 Verticals, LLC. In addition to a voluntary dissolution, i3 Verticals, LLC will be dissolved upon the entry of a decree of judicial dissolution or other circumstances in accordance with Delaware law. Upon a dissolution event, the proceeds of a liquidation will be distributed in the following order: (1) first, to pay the expenses of winding up i3 Verticals, LLC; (2) second, to pay debts and liabilities owed to creditors of i3 Verticals, LLC, other than members; and (3) third, to the members pro-rata in accordance with their respective percentage ownership interests in i3 Verticals, LLC (as determined based on the number of common units held by a member relative to the aggregate number of all outstanding common units).

Confidentiality. We, as manager, and each member agree to maintain the confidentiality of i3 Verticals, LLC's confidential information. This obligation excludes: (1) information independently obtained or developed by the members; and (2) information that is in the public domain or otherwise disclosed to a member; provided that such information was not obtained in violation of a confidentiality obligation included in the i3 Verticals LLC Agreement or such information was approved for release by written authorization of the Chief Executive Officer, the Chief Financial Officer or the General Counsel of either i3 Verticals, Inc. or i3 Verticals, LLC.

Indemnification. The i3 Verticals LLC Agreement will provide for indemnification of the manager, directors and officers of i3 Verticals, LLC and their respective subsidiaries or affiliates.

Common Unit Redemption Right. The i3 Verticals LLC Agreement will provide a redemption right to the Continuing Equity Owners that will entitle them to have their common units redeemed (subject in certain circumstances to time-based and service-based vesting requirements and limitations on the common units that will be converted from Class P units in connection with the Reorganization Transactions) for, at our option, newly-issued shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case in accordance with the terms of the i3 Verticals LLC Agreement; provided that, at our election, we may effect a direct exchange by i3 Verticals, Inc. of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. In connection with the exercise of the redemption or exchange of common units (1) the Continuing Equity Owners will be required to surrender a number of shares of our Class B common stock registered in the name of such redeeming or exchanging Continuing Equity Owner, which we will cancel for no consideration on a one-for-one basis with the number of common units so redeemed or exchanged and (2) all redeeming members will surrender common units to i3 Verticals, LLC for cancellation.

Each Continuing Equity Owner's redemption rights will be subject to certain customary limitations, including the expiration of any contractual lock-up period relating to the shares of our Class A common stock that may be applicable to such Continuing Equity Owner and the absence of any liens or encumbrances on such common units redeemed. Additionally, in the case we elect a cash settlement, such Continuing Equity Owner may rescind

its redemption request within a specified period of time. Moreover, in the case of a settlement in Class A common stock, such redemption may be conditioned on the closing of an underwritten distribution of the shares of Class A common stock that may be issued in connection with such proposed redemption. In the case of a settlement in Class A common stock, such Continuing Equity Owner may also revoke or delay its redemption request if the following conditions exist:

- (1) any registration statement pursuant to which the resale of the Class A common stock to be registered for such Continuing Equity Owner at or immediately following the consummation of the redemption shall have ceased to be effective pursuant to any action or inaction by the SEC or no such resale registration statement has yet become effective;
- (2) we failed to cause any related prospectus to be supplemented by any required prospectus supplement necessary to effect such redemption;
- (3) we exercised our right to defer, delay or suspend the filing or effectiveness of a registration statement and such deferral, delay or suspension shall affect the ability of such Continuing Equity Owner to have its Class A common stock registered at or immediately following the consummation of the redemption;
- (4) such Continuing Equity Owner is in possession of any material non-public information concerning us, the receipt of which results in such Continuing Equity Owner being prohibited or restricted from selling Class A common stock at or immediately following the redemption without disclosure of such information (and we do not permit disclosure);
- (5) any stop order relating to the registration statement pursuant to which the Class A common stock was to be registered by such Continuing Equity Owner at or immediately following the redemption shall have been issued by the SEC;
- (6) there shall have occurred a material disruption in the securities markets generally or in the market or markets in which the Class A common stock is then traded;
- (7) there shall be in effect an injunction, a restraining order or a decree of any nature of any governmental entity that restrains or prohibits the redemption;
- (8) we shall have failed to comply in all material respects with our obligations under the Registration Rights Agreement, and such failure shall have affected the ability of such Continuing Equity Owner to consummate the resale of the Class A common stock to be received upon such redemption pursuant to an effective registration statement, as applicable; or
- (9) the redemption date would occur three business days or less prior to, or during, a black-out period.

Moreover, common units received in exchange for unvested profits interests in connection with the Reorganization Transactions will remain subject to their existing time-based and service-based vesting requirements. As such, the former Class P unit profits interests holders who hold these common units will not be able to exercise their redemption rights until the applicable vesting date.

The i3 Verticals LLC Agreement will require that in the case of a redemption by a Continuing Equity Owner we contribute cash or shares of our Class A common stock, as applicable, to i3 Verticals, LLC in exchange for an amount of newly-issued common units in i3 Verticals, LLC that will be issued to us equal to the number of common units redeemed from the Continuing Equity Owner. i3 Verticals, LLC will then distribute the cash or shares of our Class A common stock, as applicable, to such Continuing Equity Owner to complete the redemption. If a Continuing Equity Owner elects to redeem such owner's common units, we may, at our option, effect a direct exchange by i3 Verticals, Inc. of cash or our Class A common stock, as applicable, for such common units in lieu of such a redemption. Whether by redemption or exchange, we are obligated to ensure that at all times the number of common units that we own equals the number of our outstanding shares of Class A common stock (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).

Amendments. In addition to certain other requirements, our consent, as manager, and the consent of a majority of the common units then outstanding and entitled to vote (excluding common units we hold directly or indirectly) will generally be required to amend or modify the i3 Verticals LLC Agreement.

Tax Receivable Agreement

As described in “Our Organizational Structure,” we intend to use the net proceeds from this offering to purchase common units of i3 Verticals, LLC directly from i3 Verticals, LLC and from some of the Continuing Equity Owners. We expect to obtain an increase in our share of the tax basis of the assets of i3 Verticals, LLC in connection with the purchase of common units directly from some of the Continuing Equity Owners. In addition, we may obtain an increase in our share of the tax basis of the assets of i3 Verticals, LLC in the future, when a Continuing Equity Owner redeems such owner’s common units (or we effect a direct exchange) and such owner thereby receives Class A common stock or cash, as applicable, from us, subject in certain circumstances to time-based and service-based vesting requirements and limitations on the common units that will be converted from Class P units in connection with the Reorganization Transactions. We intend to treat any such exchange as a direct purchase by us of common units from such Continuing Equity Owner for U.S. federal income and other applicable tax purposes, regardless of whether such common units are surrendered by a Continuing Equity Owner to i3 Verticals, LLC for redemption or sold to us upon the exercise of our election to acquire such common units directly. We refer to such basis increases, together with the basis increases in connection with the purchase of common units of i3 Verticals, LLC directly from certain of the Continuing Equity Owners in the Reorganization Transactions, as the “Basis Adjustments.” Any Basis Adjustment may have the effect of reducing the amounts that we would otherwise pay in the future to various tax authorities. The Basis Adjustments may also decrease gains (or increase losses) on future dispositions of certain assets to the extent tax basis is allocated to those assets.

In connection with the Reorganization Transactions described above, we will enter into a Tax Receivable Agreement with i3 Verticals, LLC and each of the Continuing Equity Owners that will provide for the payment by us to the Continuing Equity Owners (either directly or indirectly by contributing such payment to i3 Verticals, LLC for remittance to the Continuing Equity Owners) of 85% of the amount of certain tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize in our tax reporting, as a result of the Reorganization Transactions described above, including the Basis Adjustments and certain other tax benefits attributable to payments made under the Tax Receivable Agreement. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement, we expect that the total reduction in tax payments for us would be approximately \$ _____ over _____ years from the date of this offering based on an initial public offering price of \$ _____ per share, and assuming all future sales would occur one year after this offering. Under that scenario, we would be required to pay the Continuing Equity Owners 85% of such amount, or \$ _____ over the _____-year period from the date of this offering. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us, and payments under the Tax Receivable Agreement by us, will be calculated using the market value of our Class A common stock at the time of the sale and the prevailing tax rates applicable to us over the life of the Tax Receivable Agreement and will depend on whether we generate sufficient future taxable income to realize the benefit. i3 Verticals, LLC intends to have in effect an election under Section 754 of the Code effective for each taxable year in which a redemption or exchange of i3 Verticals, LLC common units for Class A common stock or cash occurs. Such a redemption or exchange would include a deemed exchange, and would include for this purpose the purchase of common units of i3 Verticals, LLC directly from certain Continuing Equity Owners described above. These tax benefit payments are not conditioned upon one or more of the Continuing Equity Owners maintaining a continued ownership interest in i3 Verticals, LLC. If a Continuing Equity Owner transfers common units but does not assign to the transferee of such units its rights under the Tax Receivable Agreement, such Continuing Equity Owner generally will continue to be entitled to receive payments under the Tax Receivable Agreement arising in respect of a subsequent exchange of such common units. In general, the Continuing Equity Owners’ rights under the Tax Receivable Agreement may not be assigned, sold, pledged or otherwise alienated to any person, other than certain permitted transferees, without (a) our prior written consent, which should not be unreasonably withheld, conditioned or delayed, and (b) such person’s becoming a party to the Tax Receivable Agreement and agreeing to succeed to the applicable Continuing Equity Owner’s interest therein.

The actual Basis Adjustments, as well as any amounts paid to the Continuing Equity Owners under the Tax Receivable Agreement, will vary depending on a number of factors, including:

- *the timing of any future redemptions or exchanges*—for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of i3 Verticals, LLC at the time of each redemption or exchange;
- *the price of shares of our Class A common stock when we purchase common units from the Continuing Equity Owners in connection with this offering and when redemptions or exchanges of common units occur in the future*—the Basis Adjustments, as well as any related increase in any tax deductions, are directly related to the price of shares of our Class A common stock at the time of such purchases or future redemptions or exchanges;
- *the extent to which such redemptions or exchanges are taxable*—if a redemption or exchange is not taxable for any reason, increased tax deductions will not be available; and
- *the amount and timing of our income*—the Tax Receivable Agreement generally will require us to pay 85% of the tax benefits as and when those benefits are treated as realized under the terms of the Tax Receivable Agreement. If i3 Verticals, Inc. does not have taxable income, we generally will not be required (absent a change of control or other circumstances requiring an early termination payment and treating any outstanding common units held by members other than i3 Verticals, Inc. as having been exchanged for Class A common stock for purposes of determining such early termination payment) to make payments under the Tax Receivable Agreement for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be used to generate tax benefits in future taxable years. The use of any such tax attributes will result in payments under the Tax Receivable Agreement.

For purposes of the Tax Receivable Agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had there been no Basis Adjustments, had the Tax Receivable Agreement not been entered into and had there been no tax benefits to us as a result of any payments made under the Tax Receivable Agreement; provided that for purposes of determining cash savings with respect to state and local income taxes we will use an assumed tax rate. There is no maximum term for the Tax Receivable Agreement, although we may terminate the Tax Receivable Agreement under an early termination procedure that requires us to pay the Continuing Equity Owners an agreed-upon amount equal to the estimated present value of the remaining payments to be made under the agreement (calculated with certain assumptions).

Although the actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary, we expect that the payments that we may be required to make (directly or indirectly) to the Continuing Equity Owners could be substantial. Any payments made to the Continuing Equity Owners under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us or to i3 Verticals, LLC. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts will be deferred and will accrue interest until paid; provided that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore may result in the acceleration of payments due under the Tax Receivable Agreement. We anticipate funding ordinary course payments under the Tax Receivable Agreement from cash flow from operations of our subsidiaries, available cash or available borrowings under our Senior Secured Credit Facility or any future debt agreements. See "Unaudited Pro Forma Consolidated Financial Information." Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that a redeeming Continuing Equity Owner receives under the Tax Receivable Agreement. For example, the earlier disposition of assets following an exchange or acquisition transaction will generally accelerate payments under the Tax Receivable Agreement and increase the present value of such payments.

The Tax Receivable Agreement provides that if certain mergers, asset sales, other forms of business combination or other changes of control were to occur, if we fail to make any payment pursuant to the Tax Receivable Agreement when due or if, at any time, we elect an early termination of the Tax Receivable Agreement, then the Tax Receivable Agreement will terminate and our obligations, or our successor's obligations, under the Tax Receivable Agreement would accelerate and become due and payable, based on certain

assumptions, including an assumption that we would have sufficient taxable income to fully use all potential future tax benefits that are subject to the Tax Receivable Agreement. In those circumstances, members of i3 Verticals, LLC would be deemed to exchange any remaining outstanding common units for Class A common stock and would generally be entitled to payments under the Tax Receivable Agreement resulting from such deemed exchanges. We may elect to completely terminate the Tax Receivable Agreement early only with the written approval of a majority of i3 Verticals, Inc.'s "independent directors" (within the meaning of Rule 10A-3 promulgated under the Exchange Act and the Nasdaq rules).

As a result of the foregoing, we could be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. We also could be required to make cash payments (directly or indirectly) to the Continuing Equity Owners that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine. We will not be reimbursed for any cash payments previously made to the Continuing Equity Owners pursuant to the Tax Receivable Agreement if any tax benefits we initially claim are subsequently challenged by a taxing authority and ultimately disallowed. Instead, any excess cash payments we make to a Continuing Equity Owner will be netted against any future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement. However, a challenge to any tax benefits we initially claim may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement and, as a result, there might not be future cash payments against which to net. The applicable federal income tax rules are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with our tax reporting positions. As a result, it is possible that cash payments could be made under the Tax Receivable Agreement that are substantially greater than our actual cash tax savings. Although we are not currently aware of any potential challenge, if we subsequently determine that any Basis Adjustments or other tax benefits may be subjected to a reasonable challenge by a taxing authority, we may withhold payments to the Continuing Equity Owners under the Tax Receivable Agreement related to such Basis Adjustments or other tax benefits in an interest-bearing escrow account until such a challenge is no longer possible.

If we receive a formal notice or assessment from a taxing authority with respect to any cash savings covered by the Tax Receivable Agreement, we will place certain subsequent tax benefit payments that would otherwise be made to the Continuing Equity Owners into an interest-bearing escrow account until there is a final determination. We will have full responsibility for, and sole discretion over, all i3 Verticals, Inc. tax matters, including the filing and amendment of all tax returns and claims for refund and defense of all tax contests, subject to certain participation and approval rights held by the Continuing Equity Owners.

Under the Tax Receivable Agreement, we are required to provide the Continuing Equity Owners with a schedule showing the calculation of payments that are due under the Tax Receivable Agreement for each taxable year with respect to which a payment obligation arises within 90 days after filing our federal income tax return for such taxable year. This calculation will be based upon the advice of our tax advisors. Payments under the Tax Receivable Agreement will generally be made to the Continuing Equity Owners within three business days after this schedule becomes final pursuant to the procedures set forth in the Tax Receivable Agreement, although interest on such payments will begin to accrue at a rate of 100 basis points from the due date (without extensions) of such tax return. Any late payments that may be made under the Tax Receivable Agreement will continue to accrue interest at a rate equal to the sum of the highest rate applicable at the time under the Senior Secured Credit Facility (or any replacement thereof), plus 200 basis points (or, if there is no Senior Secured Credit Facility at such time, LIBOR plus 500 basis points), until such payments are made, generally including any late payments that we may subsequently make because we did not have enough available cash to satisfy our payment obligations at the time at which they originally arose.

Registration Rights Agreement

We intend to enter into a Registration Rights Agreement with certain of the Continuing Equity Owners, including Greg Daily and certain of his affiliates, entities affiliated with First Avenue Partners L.P., entities affiliated with Harbert Management Corporation, entities affiliated with Capital Alignment Partners, James Stephen Turner, Jr. and certain of his affiliates and Clay Whitson, in connection with this offering. The Registration Rights Agreement will provide certain of the parties the right, at any time after 180 days following our initial public offering and the expiration of any related lock-up period, to require us to register under the Securities Act the offer and sale of shares of Class A common stock issuable to them, at our election, upon redemption or exchange of their common units in i3 Verticals, LLC. The Registration Rights Agreement will also provide for customary "piggyback" registration rights for all parties to the agreement. The Registration Rights Agreement will provide that we will pay certain expenses of the registration rights holders in connection with the exercise of their registration rights, and that we will indemnify the registration rights holders against certain liabilities which may arise under the Securities Act or other federal or state securities laws.

Director and Officer Indemnification and Insurance

Prior to the consummation of this offering, we intend to enter into separate indemnification agreements with each of our directors and executive officers. We also intend to purchase directors' and officers' liability insurance. See "Description of Capital Stock—Limitation of Liability and Indemnification of Directors and Officers."

Agreement with Axia Technologies, LLC

In April 2016, we entered into a purchase agreement to purchase certain assets of Axia. As part of the purchase, i3 Verticals, LLC entered into a Processing Services Agreement (the "Axia Tech Agreement") with Axia Technologies, LLC ("Axia Tech"). Under the Axia Tech Agreement, we agreed to provide processing services for certain merchants as designated by Axia Tech from time to time. In fiscal year 2017, and for the six months ended March 31, 2018, we earned net revenues of \$27,000 and \$11,000, respectively, related to the Axia Tech Agreement. i3 Verticals, LLC, Greg Daily and Clay Whitson own 3%, 11% and 1%, respectively, of the outstanding equity of Axia Tech.

Policies and Procedures for Related Party Transactions

Our Board of Directors will adopt a written related person transaction policy, to be effective upon the closing of this offering, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant and a related person had or will have a direct or indirect material interest, as determined by the Audit Committee of our Board of Directors, including, purchases of goods or services by or from the related person or entities in which the related person has a material interest, and indebtedness, guarantees of indebtedness or our employment of a related person. In reviewing any such proposal, our Audit Committee will be tasked to consider all relevant facts and circumstances, including the commercial reasonableness of the terms, the benefit or perceived benefit, or lack thereof, to us, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person.

All related party transactions described in this section occurred prior to adoption of this policy and as such, these transactions were not subject to the approval and review procedures set forth in the policy.

In addition to the compensation arrangements with directors and executive officers described under "Executive Compensation," the foregoing is a description of each transaction since October 1, 2014, and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, beneficial holders of more than 5% of our capital stock, or any member of their immediate family or person sharing their household had or will have a direct or indirect material interest.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our Class A common stock and Class B common stock (1) immediately following the consummation of the Reorganization Transactions (excluding this offering), as described in "Our Organizational Structure" and (2) as adjusted to give effect to this offering, for:

- each person, or group of affiliated persons, who is known by us to own more than 5% of our Class A or Class B common stock;
- each of the directors, director nominees and named executive officers individually; and
- all directors, director nominees and executive officers as a group.

As described in "Our Organizational Structure" and "Certain Relationships and Related Party Transactions," each common unit (other than common units we hold) is redeemable from time to time at each holder's option (subject in certain circumstances to time-based and service-based vesting requirements and limitations on the common units that will be converted from Class P units in connection with the Reorganization Transactions) for, at our election, newly-issued shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case, in accordance with the terms of the i3 Verticals LLC Agreement; provided that, at our election, we may effect a direct exchange by i3 Verticals, Inc. of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. See "Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement." In connection with this offering, we will issue to each Continuing Equity Owner for nominal consideration one share of Class B common stock for each common unit of i3 Verticals, LLC it owns. As a result, the number of shares of Class B common stock listed in the table below correlates to the number of common units of i3 Verticals, LLC each such Continuing Equity Owner will own immediately after this offering. Although the number of shares of Class A common stock being offered hereby to the public and the total number of i3 Verticals, LLC common units outstanding after the offering will remain fixed regardless of the initial public offering price in this offering, the shares of Class B common stock held by the beneficial owners set forth in the table below after the consummation of the Reorganization Transactions will vary, depending on the initial public offering price in this offering. The table below assumes the shares of Class A common stock are offered at \$ _____ per share (the midpoint of the price range listed on the cover page of this prospectus).

The number of shares beneficially owned by each stockholder as described in this prospectus is determined under rules issued by the SEC. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, or other rights, including the redemption right described above with respect to each common unit, held by such person that are currently exercisable or will become exercisable within 60 days of the date of this prospectus, are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. The percentage ownership of each individual or entity after giving effect to the Reorganization Transactions and before this offering is computed on the basis of shares of our Class A common stock outstanding and shares of our Class B common stock outstanding. Unless otherwise indicated, the address of all listed stockholders is 40 Burton Hills Blvd., Suite 415, Nashville, TN 37215.

Each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

Name of Beneficial Owner	Class A Common Stock Beneficially Owned ⁽¹⁾			Class B Common Stock Beneficially Owned			Combined Voting Power ⁽²⁾	
	After Giving Effect to the Reorganization Transactions and Before this Offering	After Giving Effect to the Reorganization Transactions and this Offering (No Exercise of Option)	After Giving Effect to the Reorganization Transactions and this Offering (With Full Exercise of Option)	After Giving Effect to the Reorganization Transactions and Before this Offering	After Giving Effect to the Reorganization Transactions and this Offering (No Exercise of Option)	After Giving Effect to the Reorganization Transactions and this Offering (With Full Exercise of Option)	After Giving Effect to the Reorganization Transactions and this Offering (No Exercise of Option)	After Giving Effect to the Reorganization Transactions and this Offering (With Full Exercise of Option)
	Number %	Number %	Number %	Number %	Number %	Number %	Number %	Number %
5% Stockholders:								
First Avenue Partners ⁽³⁾								
Harbert Management ⁽⁴⁾								
Capital Alignment Partners ⁽⁵⁾								
Named executive officers and directors:								
Gregory Daily ⁽⁶⁾								
Clay Whitson								
Rick Stanford								
Elizabeth Seigenthaler Courtney								
John Harrison ⁽⁴⁾								
Burton Harvey ⁽⁵⁾								
Timothy McKenna								
David Morgan								
David Wilds ⁽³⁾								
All directors and executive officers as a group (12 people)								

* Represents beneficial ownership of less than 1% of our outstanding common stock.

- Each common unit (other than common units we hold and common units held by certain of the former Class P unit profits interests holders that are initially subject to time-based or service-based vesting requirements) is redeemable from time to time at each holder's option for, at our election, newly-issued shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case, in accordance with the terms of the i3 Verticals LLC Agreement; provided that, at our election, we may effect a direct exchange by i3 Verticals, Inc. of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. See "Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement." In these tables, beneficial ownership of common units has been reflected as beneficial ownership of shares of our Class A common stock for which such common units may be exchanged. When a common unit is exchanged by a Continuing Equity Owner who holds shares of our Class B common stock, a corresponding share of Class B common stock will be canceled.
- Represents the percentage of voting power of our Class A common stock and Class B common stock voting as a single class. Each share of Class A common stock and each share of Class B common stock entitles the registered holder thereof to one vote per share on all matters presented to stockholders for a vote generally, including the election of directors. The Class A common stock and Class B common stock will vote as a single class on all matters except as required by law or the amended and restated certificate of incorporation.
- Includes (a) shares of Class A common stock held by First Avenue Partners II, L.P., (b) shares of Class A common stock held by First Avenue-ETC Partners, L.P., (c) shares of Class A common stock held by Front Street Equities, LLC (together with First Avenue Partners II, L.P. and First Avenue-ETC Partners, L.P., "First Avenue Partners"). Front Street Equities, LLC is the General Partner of First Avenue Partners II, L.P. and First Avenue-ETC Partners, L.P. Mr. Wilds serves as the sole limited partner and managing member of First Avenue Partners II, L.P., as the managing member of First Avenue-ETC Partners, L.P., and as the sole member of Front Street Equities, LLC. Decisions regarding the voting or disposition of the shares held by First Avenue Partners are made by Mr. Wilds. The address of First Avenue Partners is 30 Burton Hills Blvd, Ste 550, Nashville, Tennessee.
- Includes shares of Class A common stock held by Harbert Mezzanine Partners III, L.P. HMP III GP, LLC is the General Partner of Harbert Mezzanine Partners III, L.P. Decisions regarding the voting or disposition of the shares held by the foregoing are made by an investment committee or committees (or authorized sub-committees or designees thereof). The current voting members of these committees are: John Harrison, Rob Bourquin, John Scott, Mike Luce, Sonja Keeton and Trey Ferguson. Each of Mr. Harrison, Mr. Bourquin, Mr. Scott, Mr. Luce, Ms. Keeton and Mr. Ferguson disclaims beneficial ownership of the Class A common stock held by HMP III

Equity Holdings, LLC. The address of HMP III Equity Holdings, LLC and HMP III GP, LLC is 2100 3rd Ave N, Ste 600, Birmingham, Alabama.

- (5) Includes (a) _____ shares of Class A common stock held by CCSD II, L.P., (b) _____ shares of Class A common stock held by Claritas Capital Specialty Debt Fund, L.P., (c) _____ shares of Class A common stock held by CF i3 Corporation. CCSD GP II, LLC is the general partner of CCSD II, L.P. and CCSD GP LLC is the general partner of Claritas Capital Specialty Debt Fund, L.P. Decisions regarding the voting or disposition of the shares held by the CCSD II, L.P. and Claritas Capital Specialty Debt Fund, L.P. are made by an investment committee or committees (or authorized sub-committees or designees thereof). The current voting members of these committees are: Burton Harvey, Lee Ballew and Mark McManigal. Decisions regarding the voting or disposition of the shares held by the CF i3 Corporation are made by its officers, Mr. Harvey and Mr. Ballew. Each of Mr. Harvey, Mr. Ballew and Mr. McManigal disclaims beneficial ownership of the Class A common stock held by CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and CF i3 Corporation. The address of CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P., CF i3 Corporation, CCSD GP, LLC and CCSD GP II, LLC is 40 Burton Hills Blvd, Ste 250, Nashville, Tennessee.
- (6) Includes (a) _____ shares of Class A common stock held of record by Greg Daily and Collie Daily, Mr. Daily's spouse, of which Mr. Daily has shared voting and investment power, (b) _____ shares of Class A common stock held of record by Courtney Daily, Mr. Daily's daughter and (c) _____ shares of Class A common stock held by Daily Family Investments, LLC, of which Mr. Daily serves as tax matters member. Decisions regarding the voting or disposition of the shares held by the Daily Family Investments, LLC are made by its sole manager, Jeffrey Gould. Each of Mr. Daily and Mr. Gould disclaims beneficial ownership of the Class A common stock held by Daily Family Investments, LLC. The address of Daily Family Investments, LLC is 5353 Hillsboro Pike, Nashville, Tennessee.

DESCRIPTION OF CAPITAL STOCK

The following descriptions are summaries of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the consummation of this offering. Reference is made to the more detailed provisions of, and the descriptions are qualified in their entirety by reference to, the amended and restated certificate of incorporation and amended and restated bylaws, forms of which are filed with the SEC as exhibits to the registration statement of which this prospectus is a part, and applicable law.

General

Following this offering, our authorized capital stock will consist of _____ shares of Class A common stock, par value \$0.0001 per share, _____ shares of Class B common stock, par value \$0.0001 per share; and _____ shares of preferred stock, par value \$0.0001 per share.

Class A Common Stock

Class A common stock outstanding. Immediately prior to the completion of this offering, there were no outstanding shares of our Class A common stock. There will be _____ shares of Class A common stock outstanding, assuming no exercise of the underwriters' overallotment option, after giving effect to the sale of the shares of Class A common stock offered hereby. All shares of Class A common stock to be issued upon completion of this offering will be fully paid and non-assessable.

Voting rights. The holders of Class A common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. The holders of our Class A common stock do not have cumulative voting rights in the election of directors. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all stockholders present in person or represented by proxy, voting together as a single class.

Dividend rights. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of shares of Class A common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board of Directors out of funds legally available therefor. However, we do not intend to pay dividends for the foreseeable future. Holders of shares of Class B common stock are not entitled to receive dividends in respect of such shares. See "Dividend Policy."

Rights upon liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of Class A common stock are entitled to share ratably in all assets remaining after payment of our debts and other liabilities, subject to prior distribution rights of preferred stock, then outstanding, if any.

Other rights. The holders of our Class A common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the Class A common stock. The rights, preferences and privileges of holders of our Class A common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Class B Common Stock

Class B common stock outstanding. Immediately prior to the completion of this offering, there were no outstanding shares of our Class B common stock. Following the offering, there will be _____ shares of Class B common stock outstanding. All shares of Class B common stock to be issued upon completion of this offering will be fully paid and non-assessable.

Shares of Class B common stock will be issued in the future only to the extent necessary to maintain a one-to-one ratio between the number of common units of i3 Verticals, LLC held by the Continuing Equity Owners and the number of shares of Class B common stock issued to the Continuing Equity Owners. Shares of Class B common stock are transferable only together with an equal number of common units of i3 Verticals, LLC. Only permitted transferees of common units held by the Continuing Equity Owners will be permitted transferees of Class B common stock. See "Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement."

Voting rights. The holders of our Class B common stock are entitled to one vote for each share held of record on all matters presented to our stockholders generally. The holders of shares of our Class B common stock do not have cumulative voting rights in the election of directors. Holders of shares of our Class B common stock will vote together with holders of our Class A common stock as a single class on all matters presented to our stockholders for their vote or approval, except for certain amendments to our amended and restated certificate of incorporation described below or as otherwise required by applicable law or the amended and restated certificate of incorporation. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all stockholders present in person or represented by proxy, voting together as a single class.

Dividend rights. The holders of our Class B common stock will not participate in any dividends declared by our Board of Directors.

Other rights. The holders of shares of our Class B common stock do not have preemptive, subscription, redemption or conversion rights. There will be no redemption or sinking fund provisions applicable to the Class B common stock. Any amendment of our amended and restated certificate of incorporation that gives holders of our Class B common stock (1) any rights to receive dividends or any other kind of distribution, (2) any right to convert into or be exchanged for Class A common stock or (3) any other economic rights must be approved by the majority of the voting power of all of our outstanding voting stock.

Preferred Stock

Our Board of Directors has the authority to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our Board of Directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of i3 Verticals, Inc. without further action by the stockholders. Additionally, the issuance of preferred stock may adversely affect the holders of our Class A common stock by restricting dividends on the Class A common stock, diluting the voting power of the Class A common stock or subordinating the liquidation rights of the Class A common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our Class A common stock. At present, we have no shares of preferred stock issued and outstanding and we have no plans to issue any preferred stock.

Anti-Takeover Effects of Our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Certain Provisions of Delaware Law

Our amended and restated certificate of incorporation, amended and restated bylaws and the DGCL contain provisions, which are summarized in the following paragraphs, that are intended to enhance the likelihood of continuity and stability in the composition of our Board of Directors and to discourage certain types of transactions that may involve an actual or threatened acquisition of our company. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control or other unsolicited acquisition proposal, and enhance the ability of our Board of Directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have the effect of delaying, deterring or preventing a merger or acquisition of our company by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including attempts that might result in a premium over the prevailing market price for the shares of Class A common stock held by stockholders. Our amended and restated certificate of incorporation provides that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of such stockholders and may not be effected by any consent in writing by such stockholders.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of Nasdaq, which would apply if and so long as our Class A common stock remains listed on Nasdaq, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of Class A common stock. Additional shares that may be used

in the future may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock may be to enable our Board of Directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of Class A common stock at prices higher than prevailing market prices.

Election of Directors and Vacancies

Our amended and restated certificate of incorporation will provide that our Board of Directors will consist of between three and 15 directors. The exact number of directors will be fixed from time to time by a majority of our Board of Directors. Each director will be elected for a one-year term. There will be no limit on the number of terms a director may serve on our Board of Directors.

In addition, our amended and restated certificate of incorporation will provide that any vacancy on the Board of Directors, including a vacancy that results from an increase in the number of directors or a vacancy that results from the removal of a director with cause, may be filled only by a majority of the directors then in office.

Business Combinations

We intend to opt out of Section 203 of the DGCL; however, our amended and restated certificate of incorporation will contain similar provisions providing that we may not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our Board of Directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the votes of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our Board of Directors and by the affirmative vote of holders of at least 66 2/3% of the votes of our outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of the votes of our outstanding voting stock. For purposes of this provision, "voting stock" means any class or series of stock entitled to vote generally in the election of directors.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with our company for a three-year period. This provision may encourage companies interested in acquiring our company to negotiate in advance with our Board of Directors because the stockholder approval requirement would be avoided if our Board of Directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board of Directors and may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Quorum

Our amended and restated certificate of incorporation will provide that at any meeting of the Board of Directors, a majority of the total number of directors then in office constitutes a quorum for all purposes.

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the amended and restated certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation will not authorize cumulative voting.

Special Stockholder Meetings

Our amended and restated certificate of incorporation will provide that special meetings of our stockholders may be called at any time only by or at the direction of the chairman of our Board of Directors, our chief executive officer, or by our Board of Directors, and not by our stockholders. Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting.

Requirements for Advance Notification of Director Nominations and Stockholder Proposals

Our amended and restated bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board of Directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board of Directors or by a stockholder who is a stockholder of record who is entitled to vote at the meeting, or who is a stockholder that holds such stock through a nominee or "street name" holder of record and can demonstrate to us that such indirect ownership of such stock and such stockholder's entitlement to vote such stock on such business, and who has given our secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. To be timely, such notice must be delivered to our secretary:

- in the case of an annual meeting of stockholders, not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which we first make a public announcement of the date of such meeting; and
- in the case of a special meeting of stockholders called for the purpose of electing directors, not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the date on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

Amendment of Certificate of Incorporation and Bylaws

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Upon consummation of this offering, our bylaws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of a majority of the votes which all our stockholders would be eligible to cast in an election of directors.

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our amended and restated certificate of incorporation will, to the maximum extent permitted from time to time by Delaware law, renounce any interest, expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to certain of our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees. Our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by law, any director or stockholder who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will not have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (2) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, if any director or stockholder, other than a director or stockholder who is not employed by us or our affiliates acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity,

unless such opportunity was expressly offered to them solely in their capacity as a director, executive officer or employee of us or our affiliates. To the fullest extent permitted by Delaware law, no potential transaction or business opportunity may be deemed to be a corporate opportunity of the corporation or its subsidiaries unless (1) we or our subsidiaries would be permitted to undertake such transaction or opportunity in accordance with the amended and restated certificate of incorporation, (2) we or our subsidiaries at such time have sufficient financial resources to undertake such transaction or opportunity, (3) we have an interest or expectancy in such transaction or opportunity and (4) such transaction or opportunity would be in the same or similar line of our or our subsidiaries' business in which we or our subsidiaries are engaged or a line of business that is reasonably related to, or a reasonable extension of, such line of business. Our amended and restated certificate of incorporation will not renounce our interest in any business opportunity that is expressly offered to an employee director or employee in his or her capacity as a director or employee of i3 Verticals, Inc. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our amended and restated certificate, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Limitation of Liability and Indemnification of Directors and Officers

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation will include a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our amended and restated bylaws will provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We intend to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions that will be included in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under the DGCL against expenses, losses and liabilities that may arise in connection with actual or threatened proceedings in which they are involved by reason of their service to us and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of us. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Stockholder Registration Rights

We intend to enter into a Registration Rights Agreement with the Continuing Equity Owners in connection with this offering pursuant to which such parties will have specified rights to require us to register all or a portion of their shares under the Securities Act. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

Listing on the Nasdaq Global Select Market

We have applied to list the Class A common stock on the Nasdaq Global Select Market under the symbol "IIIV."

Transfer Agent and Registrar

The transfer agent and registrar for the Class A common stock is ComputerShare Trust Company, N.A. Its address is 250 Royall Street, Canton, Massachusetts 02021, and its telephone number is (781) 575-3951.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. Future sales of substantial amounts of our Class A common stock in the public market or the perception that such sales might occur could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our Class A common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

After completion of this offering and after giving effect to the Reorganization Transactions, we will have _____ shares of Class A common stock outstanding (or a maximum of _____ Class A common stock if the underwriters exercise their overallocation option in full). All of the shares of Class A common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, unless the shares are owned by our “affiliates” as that term is defined in Rule 144 under the Securities Act and except certain shares that will be subject to the lock-up period described in the next succeeding paragraph after completion of this offering. Any shares owned by our affiliates may not be resold except in compliance with Rule 144 volume limitations, manner of sale and notice requirements, pursuant to another applicable exemption from registration or pursuant to an effective registration statement. The shares of Class A common stock issuable to holders of our common units will be “restricted securities” as that term is defined in Rule 144 under the Securities Act. These restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 under the Securities Act. This rule is summarized below.

In addition, at our request, the underwriters have reserved up to _____ shares of the _____ shares of Class A common stock offered for sale pursuant to this prospectus for sale to some of our directors, executive officers, employees, members of i3 Verticals, LLC and business associates in a directed shares program. Any of these directed shares purchased by our executive officers, directors and members of i3 Verticals, LLC, will be subject to the 180-day lock-up restriction described under “Underwriting.” Accordingly, the number of shares freely transferable upon completion of this offering will be reduced by the number of directed shares purchased by our executive officers, directors and members of i3 Verticals, LLC, and there will be a corresponding increase in the number of shares that become eligible for sale after 180 days from the date of this prospectus.

Each common unit held by our Continuing Equity Owners will be redeemable, at the election of each Continuing Equity Owner (subject in certain circumstances to time-based and service-based vesting requirements and limitations on the common units that will be converted from Class P units in connection with the Reorganization Transactions), for, at our election, newly-issued shares of our Class A common stock on a one-for-one basis or a cash payment equal to a volume weighted average market price of one share of Class A common stock for each common unit redeemed, in each case, in accordance with the terms of the i3 Verticals LLC Agreement; provided that, at our election, we may effect a direct exchange by i3 Verticals, Inc. of such Class A common stock or such cash, as applicable, for such common units. The Continuing Equity Owners may exercise such redemption right for as long as their common units remain outstanding. See “Certain Relationships and Related Party Transactions—i3 Verticals LLC Agreement.” Upon consummation of this offering, our Continuing Equity Owners will hold common units, all of which will be redeemable or exchangeable for shares of our Class A common stock. The shares of Class A common stock we issue upon such redemptions or exchanges would be “restricted securities” as defined in Rule 144 unless we register such issuances. However, we will enter into a Registration Rights Agreement with certain Continuing Equity Owners that will require us to register under the Securities Act these shares of Class A common stock if the conditions of the Registration Rights Agreement are met. See “Certain Relationships and Related Party Transactions—Registration Rights Agreement.”

Rule 144

In general with Rule 144 as currently in effect, a person who has beneficially owned restricted shares of our Class A common stock for at least six months, including the holding period of any prior owner other than our affiliates, would be entitled to sell such securities without complying with the manner of sale, volume limitation or notice provisions of Rule 144, provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. If such person has beneficially owned the shares

proposed to be sold for at least one year, including the holding period of any prior owner than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144. Persons who have beneficially owned restricted shares of our Class A common stock for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period, upon expiration of the lock-up agreements described below, only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately _____ shares immediately after this offering; or
- the average weekly trading volume of our Class A common stock on the Nasdaq Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales by affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

Lock-up Agreements

Our executive officers, directors and certain of our other stockholders will agree, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic consequence of ownership of, directly or indirectly, or make any demand or request or exercise any right with respect to the registration of, or file with the SEC a registration statement under the Securities Act relating to, any common stock or securities convertible into or exchangeable or exercisable for any common stock without the prior written consent of the Representatives, for a period of 180 days after the date of the pricing of the offering. See "Underwriting."

Equity Incentive Plan

We intend to file one or more registration statements on Form S-8 under the Securities Act to register the offer and sale of all shares of Class A common stock subject to outstanding stock options and Class A common stock issued or issuable under our 2018 Plan. We expect to file the registration statement covering shares offered pursuant to our 2018 Plan shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

Registration Rights

We intend to enter into a Registration Rights Agreement with certain Continuing Equity Owners in connection with this offering pursuant to which such parties will have specified rights to require us to register all or a portion of their shares under the Securities Act. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of our Class A common stock by a beneficial owner that is a “non-U.S. holder.” For purposes of this discussion, a “non-U.S. holder” is a person or entity that, for U.S. federal income tax purposes, is:

- a non-resident alien individual, other than certain former citizens and residents of the United States subject to tax as expatriates;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of a jurisdiction other than the United States or any state or political subdivision thereof or the District of Columbia;
- a trust if it (1) is not subject to the primary supervision of a court within the United States, or no United States persons have the authority to control all substantial decisions of the trust, and (2) does not have a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or
- an estate, other than an estate the income of which is subject to U.S. federal income taxation regardless of its source.

This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), and administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus may affect the tax consequences described herein. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to non-U.S. holders in light of their particular circumstances (including a non-U.S. holder who is a United States expatriate, foreign pension fund, “controlled foreign corporation,” “passive foreign investment company” or a partnership or other pass-through entity for U.S. federal income tax purposes or who does not hold Class A common stock as a capital asset within the meaning of Section 1221 of the Code) and it does not address the Medicare contribution tax on net investment income pursuant to the Health Care and Education Reconciliation Act of 2010 or any tax consequences arising under the laws of any state, local or foreign jurisdiction.

If a partnership holds our Class A common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership holding Class A common stock, or a partner in such a partnership, you should consult your tax advisors.

Prospective holders are urged to consult their tax advisors with respect to the particular tax consequences to them of owning and disposing of the Class A common stock, including the consequences under the laws of any state, local or foreign jurisdiction.

Dividends

As discussed under “Dividend Policy,” we do not currently expect to pay dividends. If we do make any distributions with respect to shares of Class A common stock, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, the excess will be treated first as a tax-free return of capital, causing a reduction in the non-U.S. holder’s adjusted tax basis in the Class A common stock, and to the extent the amount of the distribution exceeds a non-U.S. holder’s adjusted tax basis in the Class A common stock, the excess will be treated as gain from the disposition of our common stock, subject to the tax treatment described below in “Gain on Disposition of the Class A Common Stock.” Dividends paid to a non-U.S. holder of the Class A common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding, a non-U.S. holder will be required to provide to the applicable withholding agent an Internal Revenue Service Form W-8BEN or W-8BEN-E (or other applicable form), certifying under penalty of perjury that such holder is not a U.S. person as defined under the Code and is eligible for treaty benefits. Additional certification requirements apply if a non-U.S. holder holds the Class A common stock through a foreign partnership or a foreign intermediary.

The withholding tax does not apply to dividends paid to a non-U.S. holder who provides a Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment). Instead, the effectively connected dividends will be subject to regular U.S. federal income tax as if the non-U.S. holder were a United States person (as defined in the Code) unless an applicable income tax treaty provides otherwise. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate) with respect to its effectively-connected earnings and profits attributable to such dividends and other income.

If you are a non-U.S. holder, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for a refund with the Internal Revenue Service. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under an appropriate income tax treaty and the specific manner of claiming the benefits of the treaty.

Gain on Disposition of the Class A Common Stock

Subject to the discussion of backup withholding and FATCA below, a non-U.S. holder generally will not be subject to U.S. federal income tax on gain realized on a sale or other disposition of the Class A common stock unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States, (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a U.S. real property holding corporation, as defined in the Code, and the non-U.S. holder held, directly or indirectly, more than 5% of our common stock at any time within the shorter of the five-year period ending on the date of the disposition and the non-U.S. holder's holding period, and certain other conditions are met.

Generally, a corporation is a "United States real property holding corporation" if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe that we are not, and we do not anticipate becoming, a U.S. real property holding corporation.

Gain that is effectively connected with a U.S. trade or business will be subject to regular U.S. income tax as if the non-U.S. holder were a U.S. person, subject to an applicable treaty providing otherwise. A non-U.S. corporation with effectively connected gains may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate) with respect to its effectively-connected earnings and profits attributable to such gains and other income.

Information Reporting and Backup Withholding

Information returns will be filed with the Internal Revenue Service in connection with payments of dividends. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. A non-U.S. holder may have to comply with certification procedures to establish that it is not a United States person in order to avoid information reporting and backup withholding with respect to payments of dividends and the proceeds from a sale or other disposition of the Class A common stock. The amount of any backup withholding from a payment to a non-U.S. holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

FATCA

Pursuant to Code provisions commonly referred to as "FATCA," additional withholding is generally imposed at a rate of 30% on payments to certain foreign entities of dividends on and the gross proceeds of dispositions of U.S. common stock, unless various U.S. information reporting and due diligence requirements (generally relating

to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied. Under regulations and related guidance issued by the Treasury Department, this withholding will apply to payments of dividends on the Class A common stock that are made and will apply to payments of gross proceeds from a sale or other disposition of the Class A common stock made on or after December 31, 2018. Any intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations, may modify the FATCA reporting rules and withholding obligations.

Non-U.S. holders should consult their tax advisors regarding the possible implications of FATCA on their investment in the Class A common stock.

Federal Estate Tax

Individual non-U.S. holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers) should note that, absent an applicable treaty benefit, the Class A common stock will be treated as U.S. situs property subject to U.S. federal estate tax.

UNDERWRITING

We and the underwriters for the offering named below have entered into an underwriting agreement with respect to the common stock being offered. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase from us the number of shares of our common stock set forth opposite its name below. Cowen and Company, LLC and Raymond James & Associates, Inc. are the representatives of the underwriters (the Representatives).

<u>Underwriter</u>	<u>Number of Shares</u>
Cowen and Company, LLC	
Raymond James & Associates, Inc.	
KeyBanc Capital Markets Inc.	
Total	

The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased, other than those shares covered by the overallotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions specified in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Overallotment Option to Purchase Additional Shares. We have granted to the underwriters an option to purchase up to _____ additional shares of common stock at the public offering price, less the underwriting discount. This option is exercisable for a period of 30 days. The underwriters may exercise this option solely for the purpose of covering overallotments, if any, made in connection with the sale of common stock offered hereby. To the extent that the underwriters exercise this option, the underwriters will purchase additional shares from us in approximately the same proportion as shown in the table above.

Discounts and Commissions. The following table shows the public offering price, underwriting discount and proceeds, before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' overallotment option.

We estimate that the total expenses of the offering, excluding underwriting discount, will be approximately \$ _____. We will pay those expenses.

	<u>Total Per Share</u>	<u>Without Overallotment</u>	<u>With Overallotment</u>
Public offering price			
Underwriting discount			
Proceeds, before expenses, to us			

The underwriters propose to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus. The underwriters may offer the shares of common stock to securities dealers at the public offering price less a concession not in excess of \$ _____ per share. If all of the shares are not sold at the public offering price, the underwriters may change the offering price and other selling terms.

Discretionary Accounts. The underwriters do not intend to confirm sales of the shares to any accounts over which they have discretionary authority.

Market Information. Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price will be determined by negotiations between us and the Representatives. In addition to prevailing market conditions, the factors to be considered in these negotiations will include:

- the history of, and prospects for, our company and the industry in which we compete;
- our past and present financial information;
- an assessment of our management; its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development;
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

We have applied to list the Class A common stock on the Nasdaq Global Select Market under the symbol "IIIV."

Stabilization. In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions, penalty bids and purchases to cover positions created by short sales.

- Stabilizing transactions permit bids to purchase shares of common stock so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.
- Overallotment transactions involve sales by the underwriters of shares of common stock in excess of the number of shares the underwriters are obligated to purchase. This creates a syndicate short position which may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the overallotment option. In a naked short position, the number of shares involved is greater than the number of shares in the overallotment option. The underwriters may close out any short position by exercising their overallotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared with the price at which they may purchase shares through exercise of the overallotment option. If the underwriters sell more shares than could be covered by exercise of the overallotment option and, therefore, have a naked short position, the position can be closed out only by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that after pricing there could be downward pressure on the price of the shares in the open market that could adversely affect investors who purchase in the offering.
- Penalty bids permit the Representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by that syndicate member is purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our common stock. These transactions may be effected on the Nasdaq Stock Market, in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making. In connection with this offering, underwriters and selling group members may engage in passive market making transactions in our common stock on the Nasdaq Stock Market in accordance with Rule 103 of Regulation M under the Securities Exchange Act of 1934, as amended, during a period before the commencement of offers or sales of common stock and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, such bid must then be lowered when specified purchase limits are exceeded.

Lock-Up Agreements. Pursuant to certain "lock-up" agreements, we and our executive officers, directors and certain of our other stockholders, have agreed, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic consequence of ownership of, directly or indirectly, or make any demand or request or exercise any right with respect to the registration of, or file with the SEC a registration statement under the Securities Act relating to, any common stock or securities convertible into or exchangeable or exercisable for any common stock without the prior written consent of the Representatives, for a period of 180 days after the date of the pricing of the offering.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for common stock. The exceptions permit us, among other things and subject to restrictions, to: (a) issue common stock or options pursuant to employee benefit plans; (b) issue common stock upon exercise of outstanding options or warrants; (c) issue securities in connection with acquisitions or similar transactions; and (d) file registration statements on Form S-8. The exceptions permit parties to the "lock-up" agreements, among other things and subject to restrictions, to: (a) make certain gifts; (b) if the party is a corporation, partnership, limited liability company or other business entity, make transfers to any shareholders, partners, members of, or owners of similar equity interests in, the party, or to an affiliate of the party, if such transfer is not for value; and (c) if the party is a corporation, partnership, limited liability company or other business entity, make transfers in connection with the sale or transfer of all of the party's capital stock, partnership interests, membership interests or other similar equity interests, as the case may be, or all or substantially all of the party's assets, in any such case not undertaken for the purpose of avoiding the restrictions imposed by the "lock-up" agreement. In addition, the lock-up provision will not restrict broker-dealers from engaging in market making and similar activities conducted in the ordinary course of their business.

The Representatives, in their sole discretion, may jointly release our common stock and other securities subject to the lock-up agreements described above in whole or in part at any time. When determining whether or not to release our common stock and other securities from lock-up agreements, the Representatives will consider, among other factors, the holder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time of the request. In the event of such a release or waiver for one of our directors or officers, the Representatives shall provide us with notice of the impending release or waiver at least three business days before the effective date of such release or waiver and we will announce the impending release or waiver by issuing a press release at least two business days before the effective date of the release or waiver.

Directed Share Program. At our request, the underwriters have reserved up to _____ shares of our common stock for sale, at the initial public offering price, through a directed share program to our directors, executive officers, employees, members of i3 Verticals, LLC and business associates. There can be no assurance that any of the reserved shares will be so purchased. The number of shares available for sale to the general public in the offering will be reduced to the extent the reserved shares are purchased in the directed share program. Any reserved shares of common stock not purchased through the directed share program will be offered to the general public on the same basis as the other common stock offered hereby.

Canada. The common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

United Kingdom. Each of the underwriters has represented and agreed that:

- it has not made or will not make an offer of the securities to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) (FSMA) except to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by us of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority (FSA);
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to us; and
- it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom.

Switzerland. The securities will not be offered, directly or indirectly, to the public in Switzerland and this prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations.

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the European Prospectus Directive (each, a "Relevant Member State"), an offer of our shares may not be made to the public in a Relevant Member State other than:

- to any legal entity which is a qualified investor, as defined in the European Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the European Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the European Prospectus Directive,

provided that no such offer of our shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the European Prospectus Directive or supplement prospectus pursuant to Article 16 of the European Prospectus Directive.

For the purposes of this description, the expression an "offer to the public" in relation to the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that Relevant Member State by any measure implementing the European Prospectus Directive in that member state, and the expression "European Prospectus Directive" means Directive 2003/71/EC (and amendments hereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

Israel. In the State of Israel this prospectus shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728-1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728-1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the "Addressed Investors"); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728-1968, subject to certain conditions (the "Qualified Investors"). The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. We have not and will not take any action that would require us to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728-1968. We have not and will not distribute this prospectus or make, distribute or direct an offer to subscribe for our common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728-1968. In particular, we may request, as a condition to be offered common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728-1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728-1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728-1968 and the regulations promulgated thereunder in connection with the offer to be issued common stock; (iv) that the shares of common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728-1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728-1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on our behalf, other than offers made by the underwriters and their respective affiliates, with a view to the final placement of the securities as contemplated in this document. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of shares on our behalf or on behalf of the underwriters.

Electronic Offer, Sale and Distribution of Shares. A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The Representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriter in its capacity as underwriter, and should not be relied upon by investors.

Other Relationships. The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they have received or may receive customary fees and expenses.

In the ordinary course of business, the underwriters and their respective affiliates may make or hold a broad array of investments, including serving as counterparties to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account or for the accounts of their customers, and such investment and securities activities may involve or relate to assets, securities or instruments of the issuer (directly, as collateral securing other

obligations or otherwise) or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also make investment recommendations, market color or trading ideas or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such assets, securities and instruments.

LEGAL MATTERS

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Bass, Berry & Sims PLC, Nashville, Tennessee. Nelson Mullins Riley & Scarborough LLP, Washington, D.C., has acted as counsel for the underwriters.

EXPERTS

The (1) financial statements of i3 Verticals, LLC as of September 30, 2017 and 2016 and for the years then ended, (2) financial statements of Fairway Payments, Inc. for the seven months ended July 31, 2017 and the year ended December 31, 2016, and (3) financial statements of San Diego Cash Register Company, Inc. as of October 31, 2017 and for the year then ended, all appearing in this prospectus have been so included in reliance on the reports of BDO USA, LLP, an independent registered public accounting firm, appearing elsewhere herein, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the shares of Class A common stock being offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed with the registration statement. For further information about us and the Class A common stock offered hereby, we refer you to the registration statement and the exhibits filed with the registration statement. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

Upon the closing of this offering, we will be required to file periodic reports, proxy statements, and other information with the SEC pursuant to the Exchange Act. You may read and copy this information at the Public Reference Room of the Securities and Exchange Commission, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is www.sec.gov. We also maintain a website at www.i3verticals.com, through which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

INDEX TO FINANCIAL STATEMENTS

Page

i3 Verticals, LLC and its Subsidiaries

Interim Condensed Consolidated Financial Statements as of and for the Six Months Ended March 31, 2018 and 2017 (Unaudited)

Condensed Consolidated Balance Sheets as of March 31, 2018 and September 30, 2017	F-2
Condensed Consolidated Statements of Operations for the Six Months Ended March 31, 2018 and 2017	F-3
Condensed Consolidated Statement of Changes in Members' Equity (Deficit) for the Six Months Ended March 31, 2018	F-4
Condensed Consolidated Statements of Cash Flows for the Six Months Ended March 31, 2018 and 2017	F-5
Notes to Interim Condensed Consolidated Financial Statements	F-7

Audited Consolidated Financial Statements as of and for the Years Ended September 30, 2017 and 2016

Report of Independent Registered Public Accounting Firm	F-22
Consolidated Balance Sheets as of September 30, 2017 and September 30, 2016	F-23
Consolidated Statements of Operations for the Years Ended September 30, 2017 and 2016	F-25
Consolidated Statements of Changes in Members' Equity (Deficit) for the Years Ended September 30, 2017 and 2016	F-26
Consolidated Statements of Cash Flows for the Years Ended September 30, 2017 and 2016	F-27
Notes to Consolidated Financial Statements	F-29

Fairway Payments, Inc.

Audited Financial Statements

Independent Auditor's Report	F-61
Statements of Operations for the Seven Months Ended July 31, 2017 and the Year Ended December 31, 2016	F-62
Statements of Changes in Member's Equity at July 31, 2017 and at December 31, 2016	F-63
Statements of Cash Flows for the Seven Months Ended July 31, 2017 and the Year Ended December 31, 2016	F-64
Notes to Financial Statements	F-65

San Diego Cash Register Company, Inc.

Audited Financial Statements

Independent Auditor's Report	F-73
Balance Sheet as of October 31, 2017	F-74
Statements of Operations for the Year Ended October 31, 2017	F-75
Statements of Changes in Stockholder's Deficit for the Year Ended October 31, 2017	F-76
Statements of Cash Flows for the Year Ended October 31, 2017	F-77
Notes to Financial Statements	F-78

i3 Verticals, Inc.

The financial statements of i3 Verticals, Inc. have been omitted because this entity is a business combination related shell company, as defined in Rule 405 under the Securities Act, has only nominal assets, has not commenced operations and has not engaged in any business or other activities except in connection with its formation. i3 Verticals, Inc. does not have any contingent liabilities or commitments.

i3 Verticals, LLC

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands)

	March 31, 2018	September 30, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 755	\$ 955
Accounts receivable, net	8,672	8,412
Settlement assets	439	5,196
Prepaid expenses and other current assets	2,865	1,141
Total current assets	12,731	15,704
Property and equipment, net	2,136	1,420
Restricted cash	664	1,013
Capitalized software, net	3,486	3,778
Goodwill	80,373	58,517
Intangible assets, net	67,866	59,259
Other assets	2,714	300
Total assets	\$ 169,970	\$ 139,991
Liabilities, Redeemable Class A Units and members' equity (deficit)		
Liabilities		
Current liabilities		
Accounts payable	\$ 2,631	\$ 1,600
Current portion of long-term debt	5,000	4,000
Accrued expenses and other current liabilities	14,387	6,706
Settlement obligations	439	5,196
Deferred revenue	2,927	2,719
Total current liabilities	25,384	20,221
Long-term debt, less current portion and debt issuance costs, net	127,786	106,836
Other long-term liabilities	12,994	2,065
Total liabilities	166,164	129,122
Commitments and contingencies (see Note 9)		
Redeemable Class A Units; 4,900 Units authorized, issued and outstanding as of March 31, 2018 and September 30, 2017	8,101	7,723
Members' equity (deficit)		
Class A Units; 13,892 Units authorized, issued and outstanding as of March 31, 2018 and September 30, 2017	36,596	34,924
Common Units; 4,606 and 4,406 Units authorized as of March 31, 2018 and September 30, 2017, respectively; 1,749 and 1,549 Units issued and outstanding as of March 31, 2018 and September 30, 2017, respectively	1,344	1,240
Class P Units; 8,256 and 7,647 Units authorized as of March 31, 2018 and September 30, 2017, respectively; 8,256 and 7,647 Units issued and outstanding as of March 31, 2018 and September 30, 2017, respectively	—	—
Accumulated deficit	(42,235)	(33,018)
Total members' equity (deficit)	(4,295)	3,146
Total liabilities, Redeemable Class A Units and members' equity (deficit)	\$ 169,970	\$ 139,991

See Notes to Interim Condensed Consolidated Financial Statements

i3 Verticals, LLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In thousands)

	Six months ended March 31,	
	2018	2017
Revenue	\$ 154,920	\$ 124,466
Operating expenses		
Interchange and network fees	102,872	89,116
Other costs of services	19,058	13,615
Selling general and administrative	19,041	12,936
Depreciation and amortization	5,876	5,071
Change in fair value of contingent consideration	2,129	923
Total operating expenses	148,976	121,661
Income from operations	5,944	2,805
Other expenses		
Interest expense, net	5,006	3,243
Change in fair value of warrant liability	8,245	—
Total other expenses	13,251	3,243
Loss before income taxes	(7,307)	(438)
Benefit for income taxes	(139)	(70)
Net loss	\$ (7,168)	\$ (368)

See Notes to Interim Condensed Consolidated Financial Statements

i3 Verticals, LLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN MEMBER'S EQUITY (DEFICIT) (UNAUDITED)

(In thousands)

	Class A Units	Common Units	Class P Units	Accumulated Deficit	Total Members' Equity (Deficit)
Balance at September 30, 2017	\$ 34,924	\$ 1,240	\$ —	\$ (33,018)	\$ 3,146
Preferred returns on Class A Units	1,672	—	—	(1,672)	—
Preferred returns on Redeemable Class A Units	—	—	—	(377)	(377)
Issuance of Common Units	—	104	—	—	104
Net loss	—	—	—	(7,168)	(7,168)
Balance at March 31, 2018	\$ 36,596	\$ 1,344	\$ —	\$ (42,235)	\$ (4,295)

See Notes to Interim Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)

	Six months ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net loss	\$ (7,168)	\$ (368)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	5,876	5,071
Provision (benefit) for doubtful accounts	61	(33)
Amortization of deferred financing costs	465	220
Loss on disposal of assets	5	43
Benefit for deferred income taxes	(468)	—
Non-cash change in fair value of warrant liability	8,245	—
Increase in non-cash contingent consideration expense from original estimate	2,129	923
Changes in operating assets:		
Accounts receivable	1,460	(824)
Prepaid expenses and other current assets	904	12
Restricted cash	349	(600)
Other assets	(1,567)	28
Changes in operating liabilities:		
Accounts payable	(311)	(23)
Accrued expenses and other current liabilities	2,712	564
Deferred revenue	(2,085)	(1,155)
Other long-term liabilities	149	72
Contingent consideration paid in excess of original estimates	(814)	—
Net cash provided by operating activities	<u>9,942</u>	<u>3,930</u>
Cash flows from investing activities:		
Expenditures for property and equipment	(1,005)	(312)
Expenditures for capitalized software	(483)	(564)
Purchases of merchant portfolios and residual buyouts	(954)	(1,141)
Acquisitions of businesses, net of cash acquired	(26,862)	(4,000)
Acquisition of other intangibles	(802)	(7)
Net cash used in investing activities	<u>(30,106)</u>	<u>(6,024)</u>

See Notes to Interim Condensed Consolidated Financial Statements

i3 Verticals, LLC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)

	Six months ended March 31,	
	2018	2017
Cash flows from financing activities:		
Proceeds from revolving credit facility	15,500	8,000
Payments of revolving credit facility	(16,350)	(7,000)
Proceeds from notes payable to banks	24,671	—
Payments of notes payable to banks	(2,500)	(2,000)
Payment of debt issuance costs	(261)	(13)
Cash paid for contingent consideration	(250)	(500)
Payment of equity issuance costs	(846)	—
Net cash provided by (used in) financing activities	19,964	(1,513)
Net decrease in cash and cash equivalents	(200)	(3,607)
Cash and cash equivalents, beginning of period	955	3,776
Cash and cash equivalents, end of period	<u>\$ 755</u>	<u>\$ 169</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 6,000	\$ 2,981
Cash paid for income taxes	\$ 205	\$ 163
Supplemental disclosure of non-cash investing and financing activities:		
Common Units issued as part of acquisitions' purchase consideration (Note 3)	\$ 104	\$ —
Acquisition date fair value of contingent consideration in connection with business combinations	\$ 2,084	\$ 1,221
Replacement of 2016 Senior Secured Credit Facility with Senior Secured Credit Facility	\$ 87,525	\$ —
Preferred return on Redeemable Class A Units	\$ 377	\$ 342
Preferred return on Class A Units	\$ 1,672	\$ 975
Debt issuance costs financed with proceeds from Senior Secured Credit Facility	\$ 904	\$ —
Increase in accrued equity issuance costs	\$ 1,550	\$ —

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

1. NATURE OF OPERATIONS

i3 Verticals, LLC, a Delaware limited liability company (collectively the “Company,” “we,” “us,” or “our”) was founded in 2012 and delivers seamless integrated payment and software solutions to small- and medium-sized businesses (“SMBs”) and organizations in strategic vertical markets.

The Company’s headquarters are in Nashville, Tennessee, with operations throughout the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the reporting and disclosure rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for fair presentation of the unaudited condensed consolidated financial statements of the Company and its subsidiaries as of March 31, 2018 and for the six months ended March 31, 2018 and 2017. The results of operations for the six months ended March 31, 2018 and 2017 are not necessarily indicative of the operating results for the full year. It is recommended that these interim condensed consolidated financial statements be read in conjunction with the consolidated financial statements and related footnotes for the years ended September 30, 2017 and 2016 included elsewhere herein beginning on page F-22.

All amounts are presented in thousands.

Principles of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company’s and its wholly-owned subsidiary companies. All significant intercompany accounts and transactions have been eliminated in consolidation.

Inventories

Inventories consist of point-of-sale equipment to be sold to customers and are stated at the lower of cost, determined on a weighted average basis, or net realizable value. Inventories were \$1,737 and \$454 at March 31, 2018 and September 30, 2017, respectively, and are included within prepaid expenses and other current assets on the accompanying condensed consolidated balance sheets.

Acquisitions

Business acquisitions have been recorded using the acquisition method of accounting in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 805, *Business Combinations* (“ASC 805”), and, accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair value as of the date of acquisition. Where relevant, the fair value of contingent consideration included in an acquisition is calculated using a Monte Carlo simulation. The fair value of merchant relationships and non-compete assets acquired is identified using the Income Approach. The fair value of trade names acquired is identified using the Relief from Royalty Method. The fair value of deferred revenue is identified using the Adjusted Fulfillment Cost Method. After the purchase price has been allocated, goodwill is recorded to the extent the total consideration paid for the acquisition, including the acquisition date fair value of contingent consideration, if any, exceeds the sum of the fair values of the separately identifiable acquired assets and assumed liabilities. Acquisition costs for business combinations are expensed when incurred and recorded in selling general and administrative expenses in the accompanying condensed consolidated statements of operations.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Acquisitions not meeting the accounting criteria to be accounted for as a business combination are accounted for as an asset acquisition. An asset acquisition is recorded at its purchase price, inclusive of acquisition costs, which are allocated among the acquired assets and assumed liabilities based upon their relative fair values at the date of acquisition.

The operating results of an acquisition are included in the Company's condensed consolidated statements of operations from the date of such acquisition. Acquisitions completed during the six months ended March 31, 2018 contributed \$9,332 and \$2,172 of revenue and net income, respectively, to the results in our condensed consolidated statements of operations for the six months then ended.

Revenue Recognition and Deferred Revenue

Revenue is recognized when it is realized or realizable and earned, in accordance with ASC 605, Revenue Recognition ("ASC 605"). Recognition occurs when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the seller's price to the buyer is fixed or determinable; and (4) collectability is reasonably assured. The Company accrues for rights of refund, processing errors or penalties, or other related allowances based on historical experience.

More than 85% of our gross revenue for the six months ended March 31, 2018 and 2017 is derived from volume-based payment processing fees ("discount fees") and other related fixed transaction or service fees. The remainder is comprised of sales of software licensing subscriptions, ongoing support, and other POS-related solutions the Company provides to its clients directly and through its processing bank relationships.

Discount fees represent a percentage of the dollar amount of each credit or debit transaction processed. Discount fees are recognized at the time the merchants' transactions are processed. The Company follows the requirements of ASC 605-45 Revenue Recognition—Principal Agent Considerations, in determining its merchant processing services revenue reporting. Generally, where the Company has control over merchant pricing, merchant portability, credit risk and ultimate responsibility for the merchant relationship, revenues are reported at the time of sale on a gross basis equal to the full amount of the discount charged to the merchant. This amount includes interchange fees paid to card issuing banks and assessments paid to payment card networks pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants. Revenues generated from merchant portfolios where the Company does not have control over merchant pricing, liability for merchant losses or credit risk or rights of portability are reported net of interchange and other fees.

Revenues are also derived from a variety of fixed transaction or service fees, including authorization fees, convenience fees, statement fees, annual fees, and fees for other miscellaneous services, such as handling chargebacks.

Revenues from sales of the Company's software licensing subscriptions are recognized when they are realized or realizable and earned. Revenue is considered realized and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable and collection of the resulting receivable is reasonably assured. Contractual arrangements are evaluated for indications that multiple element arrangements may exist including instances where more-than-incidental software deliverables are included. Arrangements may contain multiple elements, such as hardware, software products, maintenance, and professional installation and training services. Revenues are allocated to each element based on the selling price hierarchy. The selling price for a deliverable is based on vendor specific objective evidence of selling price, if available, third party evidence, or estimated selling price. The Company establishes estimated selling price, based on the judgment of the Company's management, considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and the product life cycle. In arrangements with multiple elements, the Company determines allocation of the transaction price at inception of the arrangement based on the relative selling price of each unit of accounting.

In multiple element arrangements where more-than-incidental software deliverables are included, the Company applied the residual method to determine the amount of software license revenues to be recognized.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Under the residual method, if fair value exists for undelivered elements in a multiple-element arrangement, such fair value of the undelivered elements is deferred with the remaining portion of the arrangement consideration recognized upon delivery of the software license or services arrangement. The Company allocates the fair value of each element of a software related multiple-element arrangement based upon its fair value as determined by vendor specific objective evidence of selling price, with any remaining amount allocated to the software license. If evidence of the fair value cannot be established for the undelivered elements of a software arrangement, then the entire amount of revenue under the arrangement is deferred until these elements have been delivered or objective evidence can be established. These amounts, if any, are included in deferred revenue in the condensed consolidated balance sheets. Revenues related to software licensing subscriptions, maintenance or other support services with terms greater than one month are recognized ratably over the term of the agreement.

Revenues from sales of the Company's combined hardware and software element are recognized when they are realized or realizable and earned which has been determined to be upon the delivery of our product. Revenues derived from service fees are recognized at the time the services are performed and there are no further performance obligations. The Company's training, installation, and repair services are billed and recognized as revenue as these services are performed.

Deferred revenue represents amounts billed to customers by the Company for services contracts. The initial prepaid contract agreement balance is deferred. The balance is then recognized as the services are provided over the contract term. Deferred revenue that is expected to be recognized as revenue within one year is recorded as short-term deferred revenue and the remaining portion is recorded as other long-term liabilities in the condensed consolidated balance sheets.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, the value of purchase consideration paid and identifiable assets acquired and assumed in acquisitions, goodwill and intangible asset impairment review, warrant valuation, revenue recognition for multiple element arrangements, loss reserves, assumptions used in the calculation of equity-based compensation and in the calculation of income taxes, and certain tax assets and liabilities as well as the related valuation allowances. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash* (Topic 230). The amendments in ASU 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. As an emerging growth company, the Company will not be required to adopt this ASU until October 1, 2019. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. The Company is currently evaluating the impact of the adoption of this principle on the Company's interim condensed consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (Topic 230). The update clarifies how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. The effective date of this update is for

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. As an emerging growth company, the Company will not be required to adopt this ASU until October 1, 2019. The update requires retrospective application to all periods presented but may be applied prospectively if retrospective application is impracticable. The Company is currently evaluating the impact of the adoption of this principle on the Company's interim condensed consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU amends the existing guidance by recognizing all leases, including operating leases, with a term longer than twelve months on the balance sheet and disclosing key information about the lease arrangements. The effective date of this update is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. As a public business entity, the Company is an emerging growth company and has elected to use the extended transition period provided for such companies. As a result, the Company will not be required to adopt this ASU until October 1, 2020. The update requires modified retrospective transition, which requires application of the ASU at the beginning of the earliest comparative period presented in the year of adoption. The Company is currently evaluating the impact of the adoption of this principle on the Company's interim condensed consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* (Topic 606). The ASU supersedes the revenue recognition requirements in ASC 605. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard, as amended, is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. As an emerging growth company, the Company will not be required to adopt this ASU until October 1, 2019. The amendment allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company has formed a project team and is currently assessing the impact of the adoption of this principle on the Company's interim condensed consolidated financial statements.

3. ACQUISITIONS

During the six months ended March 31, 2018, the Company acquired the following intangible assets and businesses:

Residual Buyouts

From time to time, the Company acquires future commission streams from sales agents in exchange for an upfront cash payment. This results in an increase in overall gross volume to the Company. The residual buyouts are treated as asset acquisitions, resulting in recording a residual buyout intangible asset at cost on the date of acquisition. These assets are amortized using a method of amortization that reflects the pattern in which the economic benefits of the intangible asset are expected to be utilized over their estimated useful lives.

During the six months ended March 31, 2018, the Company purchased \$954 in residual buyouts using a mixture of cash on hand and borrowings on our revolving line of credit. The acquired residual buyout intangible assets have an estimated amortization period of two years.

Referral Agreement

On February 21, 2018, the Company entered into a referral agreement with an agent bank. Under the agreement, the bank exclusively refers its customers to the Company for credit card processing services. Because the Company paid an up-front fee to compensate the bank, the amount is treated as an asset acquisition in which the Company has acquired an intangible stream of referrals. This asset is amortized over a straight-line period over the initial five year term of the referral agreement.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Total consideration paid for the referral agreement was \$800, paid for with cash on hand.

Purchase of San Diego Cash Register Company, Inc.

On October 31, 2017, the Company closed an agreement to purchase all of the outstanding stock of San Diego Cash Register Company, Inc. ("SDCR, Inc."). The acquisition was completed to expand our revenue within the integrated POS market. Total purchase consideration was \$20,834 which includes \$104 of common units in i3 Verticals, LLC ("Common Units") issued to the seller. The acquisition was funded using \$20,000 in proceeds from the issuance of long-term debt from the Senior Secured Credit Facility and \$730 of contingent consideration. The preliminary purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Cash and cash equivalents	\$	1,338
Accounts receivable		1,008
Related party receivable		773
Inventories		1,318
Prepaid expenses and other current assets		1,176
Property and equipment		69
Acquired merchant relationships		5,500
Non-compete agreements		40
Trade name		1,340
Goodwill		16,523
Total assets acquired		<u>29,085</u>
Accounts payable		1,342
Accrued expenses and other current liabilities		3,123
Deferred revenue, current		2,029
Other long-term liabilities		1,757
Net assets acquired	\$	<u>20,834</u>

The goodwill associated with the acquisition is not deductible for tax purposes. The acquired relationships contracts intangible asset has an estimated amortization period of twelve years. The non-compete agreement and trade name have an amortization period of two and five years, respectively. The weighted-average amortization period for all intangibles acquired is eleven years.

Acquisition-related costs for SDCR, Inc. were \$288 and were expensed as incurred.

Certain provisions in the purchase agreement provide for additional consideration of up to \$2,400 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through October 2019. The Company determined the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings. See additional disclosures in Note 7.

The following unaudited pro forma results of operations have been prepared as though the acquisitions of SDCR, Inc. had occurred on October 1, 2016 and of Fairway Payments, LLC (see Note 4 of the consolidated financial statements for the years ended September 30, 2017 and 2016 included elsewhere herein) had occurred on October 1, 2015. Pro forma adjustments were made to reflect the impact of depreciation and amortization, changes to executive compensation and the revised debt load, all in accordance with ASC 805. This pro forma

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

information does not purport to be indicative of the results of operations that would have been attained had the acquisitions been made on these dates, or of results of operations that may occur in the future.

	Six months ended March 31,	
	2018	2017
Revenue	\$ 156,463	\$ 157,599
Net income (loss)	\$ (6,890)	\$ 2,339

Purchase of Court Solutions, LLC

On December 1, 2017, the Company acquired certain assets of Court Solutions, LLC ("CS, LLC"). The acquisition was completed to expand the Company's merchant base and increase our processing base in the public sector. Total purchase consideration was \$2,890, including \$2,200 in cash and revolver proceeds and \$690 of contingent cash consideration. The preliminary purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Property and equipment	\$	5
Capitalized software		100
Other assets		4
Acquired merchant relationships		1,500
Goodwill		1,281
Total assets acquired	\$	2,890

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years.

Acquisition-related costs for CS, LLC amounted to approximately \$117 and were expensed as incurred.

Certain provisions in the purchase agreement provide for additional consideration of up to \$2,800 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through November 2019. The Company determined the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period, the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings. See additional disclosures in Note 7.

The pre-acquisition operating results of CS, LLC are not considered material to the condensed consolidated results of operations of the Company. As such, the Company has not disclosed supplemental pro forma revenue and earnings, in accordance with ASC 805.

Purchase of Enterprise Merchant Solutions, Inc.

On January 31, 2018, the Company acquired certain assets and assumed certain liabilities of Enterprise Merchant Solutions, Inc. ("EMS, Inc."). The acquisition was completed to expand our revenue within the integrated POS market. Total purchase consideration was \$6,664, including \$6,000 in cash and revolver proceeds and \$664 of contingent cash consideration. The preliminary purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Inventories	130
Property and equipment	14
Acquired merchant relationships	1,500
Non-compete agreements	1,400
Trade name	200
Goodwill	4,052
Total assets acquired	<u>7,296</u>
Accrued expenses and other current liabilities	442
Deferred revenue, current	190
Net assets acquired	<u>\$ 6,664</u>

The goodwill associated with the acquisition is deductible for tax purposes. The acquired relationships contracts intangible asset has an estimated amortization period of fifteen years. The non-compete agreement and trade name have an amortization period of three and five years, respectively. The weighted-average amortization period for all intangibles acquired is nine years.

Acquisition-related costs for EMS, Inc. were \$92 and were expensed as incurred.

Certain provisions in the purchase agreement provide for additional consideration of up to \$9,000 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through January 2020. The Company determined the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings. See additional disclosures in Note 7.

The pre-acquisition operating results of EMS, Inc. are not considered material to the condensed consolidated results of operations of the Company. As such, the Company has not disclosed supplemental pro forma revenue and earnings, in accordance with ASC 805.

4. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill are as follows:

	Merchant Services	Other	Total
Balance at September 30, 2017 (net of accumulated impairment losses of \$11,458 and \$0, respectively)	\$ 49,173	\$ 9,344	\$ 58,517
Goodwill attributable to the acquisitions of SDCR, Inc., CS, LLC and EMS, Inc.	20,575	1,281	21,856
Balance at March 31, 2018	<u>\$ 69,748</u>	<u>\$ 10,625</u>	<u>\$ 80,373</u>

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Intangible assets consisted of the following as of March 31, 2018:

	Cost	Accumulated Amortization	Carrying Value	Amortization Life and Method
Finite-lived intangible assets:				
Merchant relationships	\$ 92,691	\$ (30,578)	\$ 62,113	15 years – accelerated or straight-line
Non-compete agreements	1,850	(370)	1,480	2 to 3 years – straight-line
Website development costs	18	(11)	7	3 years – straight-line
Trade names	3,717	(1,368)	2,349	2 to 5 years – straight-line
Residual buyouts	1,431	(331)	1,100	2 years – straight-line
Referral agreements	800	(13)	787	5 years – straight-line
Total finite-lived intangible assets	100,507	(32,671)	67,836	
Indefinite-lived intangible assets:				
Trademarks	30	—	30	
Total identifiable intangible assets	\$ 100,537	\$ (32,671)	\$ 67,866	

Amortization expense for intangible assets amounted to \$4,629 and \$3,866 during the six months ended March 31, 2018 and 2017, respectively.

Based on gross carrying amounts at March 31, 2018, our estimate of future amortization expense for intangible assets are presented in the table below.

2018 (six months remaining)	\$ 4,622
2019	8,231
2020	6,647
2021	5,901
2022	5,562
Thereafter	36,873
	\$ 67,836

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

5. LONG-TERM DEBT, NET

A summary of long-term debt, net as of March 31, 2018 is as follows:

	Maturity	Amount
Notes payable to Mezzanine lenders	November 29, 2020	\$ 10,500
Unsecured notes payable to related and unrelated creditors	February 14, 2019	16,108
Term loans to banks	October 30, 2022 (1)	37,500
Revolving lines of credit to banks	October 30, 2022 (1)	70,750
Debt issuance costs		(2,072)
Total long-term debt, net of issuance costs		132,786
Less current portion of long-term debt		(5,000)
Long-term debt, net of current portion		\$ 127,786

(1) This debt matures on the earlier of October 30, 2022 or 181 days before the maturity date of the Company's notes payable in aggregate principal amount of \$10,500 (the "Mezzanine Notes").

New Senior Secured Credit Facility

On October 30, 2017 the Company replaced its existing credit facility with a new credit agreement ("the Senior Secured Credit Facility"). The Company concluded that the Senior Secured Credit Facility should be accounted for as a debt modification based on the guidance in ASC 470-50. The Senior Secured Credit Facility consists of term loans in the original principal amount of \$40,000 and a \$110,000 revolving line of credit. The Senior Secured Credit Facility accrues interest, payable monthly, at prime plus a margin of 0.50% to 2.00% (2.00% as of March 31, 2018) or at the 30-day LIBOR rate plus a margin of 2.75% to 4.00% (4.00% as of March 31, 2018), in each case depending on the ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the Senior Secured Credit Facility requires the Company to pay unused commitment fees of up to 0.15% to 0.30% (0.30% as of March 31, 2018) on any undrawn amounts under the revolving line of credit. The maturity date of the Senior Secured Credit Facility is the earlier of October 30, 2022 or 181 days before the maturity date of the Mezzanine Notes. Principal payments of \$1,250 are due on the last day of each calendar quarter until the maturity date, when all outstanding principal and accrued and unpaid interest are due. At March 31, 2018 there was \$39,250 available for borrowing under the revolving line of credit.

The Senior Secured Credit Facility is secured by substantially all assets of the Company. The notes payable to banks and revolving line of credit to banks hold senior rights to collateral and principal repayment over all other creditors.

The provisions of the Senior Secured Credit Facility place certain restrictions and limitations upon the Company. These include, among others, restrictions on liens, investments, indebtedness, fundamental changes and dispositions; maintenance of certain financial ratios; and certain non-financial covenants pertaining to the activities of the Company during the period covered. The Company was in compliance with such covenants as of March 31, 2018. In addition, the Senior Secured Credit Facility restricts our ability to make dividends or other distributions to the holders of our equity. We are permitted to (i) make cash distributions to the holders of our equity in order to pay taxes incurred by owners of equity in i3 Verticals, LLC, by reason of such ownership, (ii) move intercompany cash between subsidiaries that are joined to the Senior Secured Credit Facility, (iii) repurchase equity from employees, directors, officers or consultants after the restructuring of the Company in connection with the initial public offering of our equity in an aggregate amount not to exceed \$1.5 million per year, and (iv) make other dividends or distributions in an aggregate amount not to exceed 5% of the net cash proceeds received from any additional common equity issuance after an initial public offering. We are also permitted to make noncash dividends in the form of additional equity issuances. All other forms of dividends or distributions are prohibited under the Senior Secured Credit Facility.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Mezzanine Warrants

As of March 31, 2018 and September 30, 2017, there were in the aggregate 1,424 warrants outstanding and exercisable to purchase Common Units related to the issuance of the Mezzanine Notes. The intrinsic value of the Mezzanine warrants was \$9,012 and \$767 as of March 31, 2018 and September 30, 2017, respectively.

	Warrants	Expiration	Exercise Price
Mezzanine Warrants	1,424	November 29, 2020	\$ 0.010

The Mezzanine warrants are mandatorily redeemable and embody a conditional obligation to redeem the instrument by a transfer of assets. The Company uses the Black-Scholes option pricing model to determine the fair market value of the Mezzanine warrants at each reporting period. The option pricing model requires the input of highly subjective assumptions, including the estimated enterprise value of the Company, expected term of the warrants, expected volatility, risk-free interest rates and discount for lack of marketability. See additional disclosures in Note 7. To determine the fair value of the Mezzanine warrants, the Company engages an outside consultant to prepare a valuation of the unit price for each reporting date, using information provided by management and information obtained from private and public sources. We use an expected volatility based on the historical volatilities of a group of guideline companies and estimated a liquidity event in June 2018 to determine the term of the warrants. The risk-free interest rates are obtained from publicly available U.S. Treasury yield curve rates. The discount for lack of marketability was determined using the Finnerty Model. The Mezzanine warrants are remeasured at each reporting date through the settlement of the instrument and changes in value are reflected in earnings. The fair market value of the warrants was \$9,012 and \$767 as of March 31, 2018 and September 30, 2017, respectively, and is reflected within other long-term liabilities within the accompanying condensed consolidated balance sheets.

6. INCOME TAXES

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, the Company updates its estimate of the annual effective tax rate, and if the Company's estimated tax rate changes, it makes a cumulative adjustment in that period. The Company's benefit for income taxes was \$139 and \$70 for the six months ended March 31, 2018 and 2017, respectively.

On December 22, 2017, the Tax Cuts and Jobs Acts was enacted into law. The new legislation contains several key tax provisions, including the reduction of the federal corporate income tax rate to 21% effective January 1, 2018, as well as a variety of other changes, including limitation of the tax deductibility of interest expense, acceleration of expensing of certain business assets and reductions in the amount of executive pay that could qualify as a tax deduction. The Company is assessing the impact of the enacted tax law on its business and its consolidated financial statements and recorded a provisional discrete tax benefit related to the re-measurement of its deferred tax assets and liabilities at SDCR, Inc. of \$504 for the reduced federal tax rates during the six-month period ended March 31, 2018.

7. FAIR VALUE MEASUREMENTS

The Company applies the provisions of ASC 820, Fair Value Measurement, which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or the price paid to transfer a liability as of the measurement date. A three-tier, fair-value reporting hierarchy exists for disclosure of fair value measurements based on the observability of the inputs to the valuation of financial assets and liabilities. The three levels are:

Level 1 — Quoted prices for identical instruments in active markets.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable in active exchange markets.

The carrying value of the Company's financial instruments, including cash and cash equivalents, restricted cash, settlement assets and obligations, accounts receivable, other assets, accounts payable, and accrued expenses, approximated their fair values as of March 31, 2018 and September 30, 2017, because of the relatively short maturity dates on these instruments. The carrying amount of debt approximates fair value as of March 31, 2018 and September 30, 2017, because interest rates on these instruments approximate market interest rates.

The Company has no Level 1 or Level 2 financial instruments. The following tables present the changes in our Level 3 financial instruments that are measured at fair value on a recurring basis.

	Mezzanine Warrants	Accrued Contingent Consideration
Balance at September 30, 2017	\$ 767	\$ 3,340
Change in the fair value of warrant liabilities	8,245	—
Contingent consideration accrued at time of business combination (Note 3)	—	2,084
Change in fair value of contingent consideration included in operating expenses	—	2,129
Contingent consideration paid	—	(1,064)
Balance at March 31, 2018	<u>\$ 9,012</u>	<u>\$ 6,489</u>

	Mezzanine Warrants	Accrued Contingent Consideration
Balance at September 30, 2016	\$ 1,182	\$ 5,537
Change in the fair value of warrant liabilities	—	—
Contingent consideration accrued at time of business combination	—	1,221
Change in fair value of contingent consideration included in operating expenses	—	923
Contingent consideration paid	—	(500)
Balance at March 31, 2017	<u>\$ 1,182</u>	<u>\$ 7,181</u>

Approximately \$4,058 and \$2,229 of contingent consideration was recorded in accrued expenses and other current liabilities as of March 31, 2018 and September 30, 2017, respectively. Approximately \$2,431 and \$1,111 of contingent consideration was recorded in other long-term liabilities as of March 31, 2018 and September 30, 2017, respectively.

8. MEMBER'S EQUITY (DEFICIT)

As of March 31, 2018, the Company has authorized the issuance of Class A Units, Class P Units and Common Units. Any offering costs associated with the issuance of units are presented net within equity.

Restricted Class P Units

As of March 31, 2018 and September 30, 2017, respectively, there were 4,823 and 4,771 vested, and 3,433 and 2,876 non-vested, restricted Class P Units issued and outstanding to certain Board members and employees.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

The Class P Units are subject to restrictions which establish forfeiture provisions, limit the transferability, encumbrance and disposition of units, and establish vesting provisions.

All Class P Units are issued at a participation threshold above the valuation of the Company at the grant date. As a result, they have a nominal value, individually and in the aggregate, at the grant date. Using an option-pricing model and considering liquidation preferences of the Class P Units, as well as the lack of marketability, management has determined that any compensation expense related to the restricted units is immaterial to the interim condensed consolidated financial statements.

9. COMMITMENTS AND CONTINGENCIES

Leases

The Company utilizes office space and equipment under operating leases. Rent expense under these leases amounted to \$686 and \$482 during the six months ended March 31, 2018 and 2017, respectively. A summary of approximate future minimum payments under these leases as of March 31, 2018 is as follows:

Years ending September 30:		
2018 (six months remaining)	\$	754
2019		1,468
2020		1,340
2021		981
2022		868
Thereafter		1,486
Total	\$	6,897

Minimum Processing Commitments

We have non-exclusive agreements with several processors to provide us services related to transaction processing and transmittal, transaction authorization and data capture, and access to various reporting tools. Certain of these agreements require us to submit a minimum monthly number of transactions for processing. If we submit a number of transactions that is lower than the minimum, we are required to pay to the processor the fees it would have received if we had submitted the required minimum number of transactions. As of March 31, 2018, such minimum fee commitments were as follows:

Years ending September 30:		
2018 (six months remaining)	\$	2,479
2019		1,300
2020		1,300
Thereafter		—
Total	\$	5,079

The Company met all minimum fee commitments for the six months ended March 31, 2018 and 2017.

Litigation

With respect to all legal, regulatory and governmental proceedings, and in accordance with ASC 450-20, *Contingencies—Loss Contingencies*, the Company considers the likelihood of a negative outcome. If the Company determines the likelihood of a negative outcome with respect to any such matter is probable and the amount of the loss can be reasonably estimated, the Company records an accrual for the estimated amount of

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

loss for the expected outcome of the matter. If the likelihood of a negative outcome with respect to material matters is reasonably possible and the Company is able to determine an estimate of the amount of possible loss or a range of loss, whether in excess of a related accrued liability or where there is no accrued liability, the Company discloses the estimate of the amount of possible loss or range of loss. However, the Company in some instances may be unable to estimate an amount of possible loss or range of loss based on the significant uncertainties involved in, or the preliminary nature of, the matter, and in these instances the Company will disclose the nature of the contingency and describe why the Company is unable to determine an estimate of possible loss or range of loss.

In addition, the Company is involved in ordinary course legal proceedings, which include all claims, lawsuits, investigations and proceedings, including unasserted claims, which are probable of being asserted, arising in the ordinary course of business and otherwise not described below. The Company has considered all such ordinary course legal proceedings in formulating its disclosures and assessments.

In June 2016, Expert Auto Repair, Inc., for itself and on behalf of a class of additional plaintiffs, and Jeff Straight initiated a class action lawsuit against us, as successor to Merchant Processing Solutions, LLC, seeking damages, restitution and declaratory and injunctive relief (the "Expert Auto Litigation"). The plaintiffs alleged that our predecessor engaged in unfair business practices in the merchant services sector including unfairly inducing merchants to obtain credit and debit card processing services and thereafter assessing them with improper fees. Subject to preliminary and final court approval, we have entered into a settlement agreement to settle the plaintiffs' claims for \$995, pending court approval of the settlement. On April 10, 2018, the Court granted conditional class certification and preliminary approval of the agreed settlement, and scheduled the final fairness hearing and final approval of the settlement for December 14, 2018. The reserved amount is reflected in accrued expenses and other current liabilities as of March 31, 2018. The amount was included in general and administrative expenses in our consolidated statement of operations for the year ended September 30, 2017.

In connection with the Expert Auto Litigation, in November 2016 our insurance carrier, Starr Indemnity and Liability Company, Inc. ("Starr"), filed a complaint against us seeking a declaration that our insurance policies with Starr would not cover a settlement or award granted to the Expert Auto Litigation plaintiffs. The Company intends to vigorously defend against Starr's claims.

Other

Our subsidiary CP-PS, LLC has certain indemnification obligations in favor of FDS Holdings, Inc. related to the acquisition of certain assets of Merchant Processing Solutions, LLC in February 2014. We have incurred expenses related to these indemnification obligations in prior periods and may have additional expenses in the future. However, after taking into consideration the evaluation of such matters by the Company's legal counsel, the Company's management believes at this time that the anticipated outcome of any existing or potential indemnification liabilities related to this matter will not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

10. RELATED PARTY TRANSACTIONS

Related parties held \$6,158 of our Company's Junior Subordinated Notes as of March 31, 2018 and September 30, 2017. Interest expense to related parties for the Company's Junior Subordinated Notes amounted to \$311 and \$302 during the six months ended March 31, 2018 and 2017, respectively.

All lenders party to the Company's Mezzanine Notes are considered related parties, through their ownership interest in the Company and affiliated director relationships. Outstanding Mezzanine Notes payable to related parties amounted to \$10,500 as of March 31, 2018 and September 30, 2017. Interest expense to related parties for the Company's Mezzanine Notes amounted to \$637 during the six months ended March 31, 2018 and 2017, respectively.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

In April, 2016, we entered into a purchase agreement to purchase certain assets of Axia, LLC, pursuant to which we acquired certain legacy agreements with Merrick Bank Corporation. On April 29, 2016, the Company entered into a Processing Services Agreement (the "Axia Tech Agreement") with Axia Technologies, LLC ("Axia Tech"), an entity controlled by the previous owner of Axia, LLC. Under the Axia Tech Agreement, we agreed to provide processing services for certain merchants as designated by Axia Tech from time to time. In accordance with ASC 605-45, revenue is recognized net of interchange, residual expense and other fees. We earned net revenues of \$24 and \$8 related to the Axia Tech Agreement during the six months ended March 31, 2018 and 2017, respectively. i3 Verticals, LLC, our CEO and our CFO each own 3%, 11% and 1%, respectively, of the outstanding equity of Axia Tech.

11. SEGMENTS

The Company determines its operating segments based on how the chief operating decision making group monitors and manages the performance of the business. The Company's operating segments are strategic business units that offer different products and services.

Our core business is delivering seamless integrated payment and software solutions to small- and medium-sized businesses ("SMBs") and organizations in strategic vertical markets. This is primarily accomplished through Merchant Services, which constitutes an operating segment. We also provide integrated payment services with proprietary owned software. The proprietary owned software operating segments do not meet applicable materiality thresholds for separate segment disclosure or aggregation, but are included as the primary components of an "all other" category under GAAP as set forth below. The other category also includes corporate overhead expenses.

We primarily use processing margin to measure operating performance. The following is a summary of reportable segment operating performance for the six months ended March 31, 2018 and 2017.

	As of and for the Six Months Ended March 31, 2018		
	Merchant Services	Other	Total
Revenue	\$ 145,151	\$ 9,769	\$ 154,920
Operating expenses			
Interchange and network fees	100,339	2,533	102,872
Other costs of services	18,502	556	19,058
Selling general and administrative	11,002	8,039	19,041
Depreciation and amortization	4,715	1,161	5,876
Change in fair value of contingent consideration	1,448	681	2,129
Income (loss) from operations	\$ 9,145	\$ (3,201)	\$ 5,944
Processing margin ^(a)	\$ 33,038	\$ 6,750	\$ 39,788
Total assets	\$ 145,423	\$ 24,547	\$ 169,970
Goodwill	\$ 69,748	\$ 10,625	\$ 80,373

(a) Processing margin is equal to revenue less interchange and network fees, less other costs of services. \$6,728 and \$70 of residual expense, a component of other costs of services, are added back to the Merchant Services segment and Other category, respectively.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2018

	As of and for the Six Months Ended March 31, 2017		
	Merchant Services	Other	Total
Revenue	\$ 117,032	\$ 7,434	\$ 124,466
Operating expenses			
Interchange and network fees	87,044	2,072	89,116
Other costs of services	12,895	720	13,615
Selling general and administrative	6,433	6,503	12,936
Depreciation and amortization	4,029	1,042	5,071
Change in fair value of contingent consideration	562	361	923
Income (loss) from operations	\$ 6,069	\$ (3,264)	\$ 2,805
Processing margin ^(a)	\$ 22,627	\$ 4,812	\$ 27,439

(a) Processing margin is equal to revenue less interchange and network fees, less other costs of services. \$5,534 and \$170 of residual expense, a component of other costs of services, are added back to the Merchant Services segment and Other category, respectively.

Corporate overhead expenses contributed losses from operations of \$4,467 and \$2,879, and depreciation and amortization of \$62 and \$58 for the six months ended March 31, 2018 and 2017, respectively.

12. SUBSEQUENT EVENTS

The Company has evaluated events through May 10, 2018, the date the interim condensed consolidated financial statements were available to be issued.

Report of Independent Registered Public Accounting Firm

Board of Directors and Members
i3 Verticals, LLC
Nashville, Tennessee

We have audited the accompanying consolidated balance sheets of i3 Verticals, LLC and subsidiaries as of September 30, 2017 and 2016 and the related consolidated statements of operations, changes in members' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of i3 Verticals, LLC at September 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 2 and 12 to the consolidated financial statements, the Company has changed its method of accounting for goodwill and has reclassified amounts related to its Class A units with certain redemption features in its consolidated balance sheets. As the Company meets the definition of a public business entity, the Company removed the effects of applying Accounting Standards Update No. 2014-02, *Accounting for Goodwill, a consensus of the Private Company Council*, and applied the provisions of Accounting Standards Codification ("ASC") Topic 350 applicable to public business entities. Additionally, amounts related to the Class A units with redemption features that are outside of the control of the Company were reclassified to temporary equity in accordance with ASC Topic 480-10-S99-3A, *Distinguishing Liabilities from Equity*.

/s/ BDO USA, LLP
Nashville, Tennessee
February 6, 2018

i3 Verticals, LLC and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30,	
	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 955	\$ 3,776
Accounts receivable, net	8,412	6,166
Settlement assets	5,196	4,446
Prepaid expenses and other current assets	1,141	1,207
Total current assets	15,704	15,595
Property and equipment, net	1,420	1,597
Restricted cash	1,013	413
Capitalized software, net	3,778	3,911
Goodwill	58,517	35,056
Intangible assets, net	59,259	43,345
Other assets	300	365
Total assets	\$ 139,991	\$ 100,282
Liabilities, Redeemable Class A Units and members' equity (deficit)		
Liabilities		
Current liabilities		
Accounts payable	\$ 1,600	\$ 1,984
Current portion of long-term debt	4,000	5,000
Accrued expenses and other current liabilities	6,706	6,602
Settlement obligations	5,196	4,446
Deferred revenue	2,719	2,273
Total current liabilities	20,221	20,305
Long-term debt, less current portion and debt issuance costs, net	106,836	78,537
Other long-term liabilities	2,065	3,928
Total liabilities	129,122	102,770
Commitments and contingencies (see Note 14)		
Redeemable Class A Units; 4,900 Units authorized, issued and outstanding as of September 30, 2017 and 2016 (see Note 12)	7,723	7,022
Members' equity (deficit)		
Class A Units; 13,892 and 10,046 Units authorized, issued and outstanding as of September 30, 2017 and 2016, respectively	34,924	19,765
Common Units; 4,406 and 3,906 Units authorized as of September 30, 2017 and 2016, respectively; 1,549 and 1,049 Units issued and outstanding as of September 30, 2017 and 2016, respectively	1,240	965
Class P Units; 7,647 and 5,895 Units authorized as of September 30, 2017 and 2016, respectively; 7,647 and 5,895 Units issued and outstanding as of September 30, 2017 and 2016, respectively	—	—
Accumulated deficit	(33,018)	(30,240)

i3 Verticals, LLC and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(In thousands)

Total members' equity (deficit)	3,146	(9,510)
Total liabilities, Redeemable Class A Units and members' equity (deficit)	<u>\$ 139,991</u>	<u>\$ 100,282</u>

See Notes to the Consolidated Financial Statements

i3 Verticals, LLC and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Year ended September 30,	
	2017	2016
Revenue	\$ 262,571	\$ 199,644
Operating expenses		
Interchange and network fees	189,112	140,998
Other costs of services	28,798	21,934
Selling general and administrative	27,194	20,393
Depreciation and amortization	10,085	9,898
Change in fair value of contingent consideration	(218)	2,458
Total operating expenses	254,971	195,681
Income from operations	7,600	3,963
Other expenses		
Interest expense, net	6,936	5,900
Change in fair value of warrant liability	(415)	(28)
Other (income) expenses	—	(59)
Total other expenses	6,521	5,813
Income (loss) before income taxes	1,079	(1,850)
Provision for income taxes	177	243
Net income (loss)	<u>\$ 902</u>	<u>\$ (2,093)</u>

See Notes to the Consolidated Financial Statements

i3 Verticals, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY (DEFICIT)

(In thousands)

	Class A Units	Common Units	Class P Units	Accumulated Deficit	Total Members' Equity (Deficit)
Balance at September 30, 2015	\$ 7,753	\$ 300	\$ —	\$ (25,664)	\$ (17,611)
Preferred returns on Class A Units	1,080	—	—	(1,080)	—
Preferred returns on Redeemable Class A Units	—	—	—	(639)	(639)
Issuance of Class A Units	11,000	—	—	—	11,000
Issuance of Common Units	—	665	—	—	665
Distributions to members	—	—	—	(764)	(764)
Equity issuance costs	(68)	—	—	—	(68)
Net loss	—	—	—	(2,093)	(2,093)
Balance at September 30, 2016	19,765	965	—	(30,240)	(9,510)
Preferred returns on Class A Units	2,223	—	—	(2,223)	—
Preferred returns on Redeemable Class A Units	—	—	—	(701)	(701)
Issuance of Class A Units	13,000	—	—	—	13,000
Issuance of Common Units	—	275	—	—	275
Distributions to members	—	—	—	(756)	(756)
Equity issuance costs	(64)	—	—	—	(64)
Net income	—	—	—	902	902
Balance at September 30, 2017	\$ 34,924	\$ 1,240	\$ —	\$ (33,018)	\$ 3,146

See Notes to the Consolidated Financial Statements

i3 Verticals, LLC and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year ended September 30,	
	2017	2016
Cash flows from operating activities:		
Net income (loss)	\$ 902	\$ (2,093)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	10,085	9,898
Provision for doubtful accounts	216	48
Amortization of deferred financing costs	453	443
Loss on disposal of assets	44	4
Provision (benefit) for deferred income taxes	56	(3)
Non-cash change in fair value of warrant liability	(415)	(28)
Increase (decrease) in non-cash contingent consideration expense from original estimate	(218)	2,458
Changes in operating assets:		
Accounts receivable	(2,432)	(1,182)
Prepaid expenses and other current assets	305	(563)
Restricted cash	(600)	1
Other assets	9	(142)
Changes in operating liabilities:		
Accounts payable	(384)	509
Accrued expenses and other current liabilities	1,515	806
Deferred revenue	388	548
Other long-term liabilities	40	(32)
Contingent consideration paid in excess of original estimates	(2,234)	(666)
Net cash provided by operating activities	7,730	10,006
Cash flows from investing activities:		
Expenditures for property and equipment	(636)	(862)
Expenditures for capitalized software	(1,452)	(1,992)
Purchases of merchant portfolios and residual buyouts	(1,632)	—
Acquisitions of businesses, net of cash acquired	(44,175)	(32,277)
Acquisition of other intangibles	(8)	(23)
Net cash used in investing activities	(47,903)	(35,154)

i3 Verticals, LLC and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In thousands)

	Year ended September 30,	
	2017	2016
Cash flows from financing activities:		
Proceeds from revolving credit facility	56,500	55,600
Payments of revolving credit facility	(23,900)	(33,600)
Proceeds from notes payable to banks	—	6,500
Payments of notes payable to banks	(5,000)	(2,800)
Payment of debt issuance costs	(254)	(876)
Proceeds from the issuance of Class A Units	12,500	9,000
Payment of equity issuance costs	(64)	(68)
Cash paid for contingent consideration	(966)	(4,776)
Required distributions to members for tax obligations	(1,464)	(56)
Net cash provided by financing activities	37,352	28,924
Net (decrease) increase in cash and cash equivalents	(2,821)	3,776
Cash and cash equivalents, beginning of period	3,776	—
Cash and cash equivalents, end of period	\$ 955	\$ 3,776
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 6,288	\$ 5,386
Cash paid for income taxes	\$ 837	\$ 21
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of unsecured note payable to related party into Class A Units (Note 13)	\$ —	\$ 1,000
Exchange of Junior Subordinated Notes for Class A Units (Note 13)	\$ 500	\$ 1,000
Common Units issued as part of acquisitions' purchase consideration (Note 4)	\$ 275	\$ 665
Acquisition date fair value of contingent consideration in connection with business combinations	\$ 1,221	\$ 1,480
Preferred return on Redeemable Class A Units	\$ 701	\$ 639
Preferred return on Class A Units	\$ 2,223	\$ 1,080

See Notes to the Consolidated Financial Statements

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

i3 Verticals, LLC, a Delaware limited liability company (collectively the “Company,” “we,” “us,” or “our”), was founded in 2012 and delivers seamless integrated payment and software solutions to small- and medium-sized businesses (“SMBs”) and organizations in strategic vertical markets.

The Company’s headquarters are in Nashville, Tennessee, with operations throughout the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission (“SEC”).

All amounts are presented in thousands.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary companies. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash on hand, checking accounts, and savings accounts to be cash and cash equivalents. At times, the balance in these accounts may exceed federal insured limits. Cash equivalents are defined as financial instruments readily transferrable into cash with an original maturity less than 90 days.

Restricted Cash

Restricted cash represents funds held-on-deposit with processing banks pursuant to agreements to cover potential merchant losses. It is presented as long-term assets on the accompanying consolidated balance sheets since the related agreements extend beyond the next twelve months.

Accounts Receivable and Credit Policies

Accounts receivable consist primarily of uncollateralized credit card processing residual payments due from processing banks requiring payment within thirty days following the end of each month. Accounts receivable also include amounts due from the sales of the Company’s technology solutions to its customers. The carrying amount of accounts receivable is reduced by an allowance for doubtful accounts, if necessary, which reflects management’s best estimate of the amounts that will not be collected. The allowance is estimated based on management’s knowledge of its customers, historical loss experience and existing economic conditions. Accounts receivable and the allowance are written-off when, in management’s opinion, all collection efforts have been exhausted. The Company’s allowance for doubtful accounts was \$461 and \$244 as of September 30, 2017, and 2016, respectively, however, actual write-offs may exceed estimated amounts.

Settlement Assets and Obligations

Settlement assets and obligations result when funds are temporarily held or owed by the Company on behalf of merchants, consumers, schools, and other institutions. Timing differences, interchange expense, merchant reserves and exceptional items cause differences between the amount received from the card networks and the amount funded to counterparties. These balances arising in the settlement process are reflected as settlement assets and obligations on the accompanying consolidated balance sheets. With the exception of merchant reserves, settlement assets or settlement obligations are generally collected and paid within one to four days. As

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of September 30, 2017, and 2016, settlement assets and settlement obligations were both \$5,196 and \$4,446, respectively.

Inventories

Inventories consist of point-of-sale equipment to be sold to customers and are stated at the lower of cost, determined on a weighted average basis, or net realizable value. Inventories were \$454 and \$513 at September 30, 2017 and 2016, respectively, and are included within prepaid expenses and other current assets on the accompanying consolidated balance sheets.

Property and Equipment

Property and equipment are stated at cost or, if acquired through a business acquisition, fair value at the date of acquisition. Depreciation and amortization are provided over the assets' estimated useful lives (or if obtained in connection with a business acquisition, over the estimated remaining useful lives) using the straight-line method, except for leasehold improvements, which are depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. Management reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company recognizes impairment when the sum of undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value of the asset. There were no impairment charges during the years ended September 30, 2017 and 2016.

Capitalized Software

Development costs for software to be sold or leased to customers are capitalized once technological feasibility of the software product has been established. Costs incurred prior to establishing technological feasibility are expensed as incurred. Technological feasibility is established when the Company has completed a detailed program design and has determined that a product can be produced to meet its design specifications, including functions, features and technical performance requirements. Capitalization of costs ceases when the product is generally available to clients. Software development costs are amortized using the greater of the straight-line method or the usage method over its estimated useful life, which is estimated to be three years.

Software development costs may become impaired in situations where development efforts are abandoned due to the viability of a planned project becoming doubtful or due to technological obsolescence of a planned software product. Management evaluates the remaining useful lives and carrying values of capitalized software at least annually or when events and circumstances warrant such a review, to determine whether significant events or changes in circumstances indicate that impairment in value may have occurred. To the extent the estimated net realizable values, which is estimated to equal future undiscounted cash flows, exceed the carrying value, no impairment is necessary. If the estimated net realizable values are less than the carrying value, an impairment charge is recorded. Impairment charges during the year ended September 30, 2017 were nominal and there were no impairment charges during the year ended September 30, 2016.

Identifiable software technology intangible assets resulting from acquisitions are amortized using the straight-line method over periods not exceeding their remaining estimated useful lives. GAAP requires that intangible assets with estimated useful lives be amortized over their respective estimated useful lives to their residual values, and reviewed for impairment. Acquisition technology intangibles' net book values are included in Capitalized software, net in the accompanying consolidated balance sheets.

Acquisitions

Business acquisitions have been recorded using the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations* ("ASC 805"), and, accordingly, the purchase price has been allocated to the assets acquired and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

liabilities assumed based on their estimated fair value as of the date of acquisition. Where relevant, the fair value of contingent consideration included in an acquisition is calculated using a Monte Carlo simulation. For a discussion of the estimate methodology and the significance of various inputs, please see the subheading below titled "Use of Estimates." The fair value of merchant relationships and non-compete assets acquired is identified using the Income Approach. The fair value of trade names acquired is identified using the Relief from Royalty Method. After the purchase price has been allocated, goodwill is recorded to the extent the total consideration paid for the acquisition, including the acquisition date fair value of contingent consideration, if any, exceeds the sum of the fair values of the separately identifiable acquired assets and assumed liabilities. Acquisition costs for business combinations are expensed when incurred and recorded in selling general and administrative expenses in the accompanying consolidated statements of operations.

Acquisitions not meeting the accounting criteria to be accounted for as a business combination are accounted for as an asset acquisition. An asset acquisition is recorded at its purchase price, inclusive of acquisition costs, which are allocated among the acquired assets and assumed liabilities based upon their relative fair values at the date of acquisition.

The operating results of an acquisition are included in the Company's consolidated statements of operations from the date of such acquisition. Acquisitions completed during the year ended September 30, 2017 contributed \$14,758 and \$2,182 of revenue and net income, respectively, to the results in our consolidated statements of operations for the year then ended. Acquisitions completed during the year ended September 30, 2016 contributed \$38,028 and \$2,599 of revenue and net income, respectively, to the results in the Company's consolidated statements of operations for the year then ended.

Goodwill

In January 2014, the FASB issued Accounting Standards Update ("ASU") 2014-02 related to the accounting for goodwill by private companies. Under this guidance, private companies may elect to amortize goodwill over 10 years, or less than 10 years if the entity can demonstrate that another useful life is more appropriate, and to test goodwill for impairment only upon occurrence of a triggering event that indicates that the book value of the entity may exceed the fair value of the entity, as opposed to testing goodwill for impairment at least annually under prior accounting guidance. The accounting guidance is effective for fiscal years beginning after December 15, 2014 and early adoption is permitted.

On January 1, 2013, the Company adopted ASU 2014-02 related to the accounting for goodwill by private companies. However, as the Company now meets the definition of a public business entity and is precluded from accounting for its goodwill under ASU 2014-02, the Company has revised its consolidated financial statements and now applies the provisions of ASC 350, *Intangibles—Goodwill and Other* in accounting for goodwill.

The Company's goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in business combinations. The goodwill generated from the business combinations is primarily related to the value placed on the employee workforce and expected synergies. Goodwill is tested for impairment at least annually in the fourth quarter and between annual tests if there are indicators of impairment that suggest a decline in the fair value of a reporting unit. Judgment is involved in determining if an indicator or change in circumstances relating to impairment has occurred. Such changes may include, among others, a significant decline in expected future cash flows, a significant adverse change in the business climate, and unforeseen competition. No goodwill impairment charges were recognized during the years ended September 30, 2017 and 2016.

The Company has the option of performing a qualitative assessment of impairment to determine whether any further quantitative testing for impairment is necessary. The option of whether or not to perform a qualitative assessment is made annually and may vary by reporting unit. Factors the Company considers in the qualitative assessment include general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of the Company's reporting units, events or changes affecting the composition or carrying amount of the net assets of its reporting units, sustained decrease in its share price, and other relevant entity

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

specific events. If the Company determines not to perform the qualitative assessment or if it determines, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying value, then the Company performs a quantitative test for that reporting unit. The fair value of each reporting unit is compared to the reporting unit's carrying value, including goodwill. Subsequent to the adoption on January 1, 2017 of ASU No. 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment*, if the fair value of a reporting unit is less than its carrying value, the Company recognizes an impairment equal to the excess carrying value, not to exceed the total amount of goodwill allocated to that reporting unit.

For a discussion of the estimate methodology and the significance of various inputs, please see the subheading below titled "Use of Estimates."

The Company has determined that it has eight reporting units. For the years ended September 30, 2017 and 2016, the Company performed a quantitative assessment for each of its reporting units. The Company determined that none of the reporting units were impaired.

Intangible Assets

Intangible assets include acquired merchant relationships, residual buyouts, trademarks, tradenames, website development costs and non-compete agreements. Merchant relationships represent the fair value of customer relationships purchased by the Company. Residual buyouts represent the right to not have to pay a residual to an independent sales agent related to certain future transactions of the agent's referred merchants.

The Company amortizes definite lived identifiable intangible assets using a method that reflects the pattern in which the economic benefits of the intangible asset are expected to be consumed or otherwise utilized. The estimated useful lives of the Company's customer-related intangible assets approximate the expected distribution of cash flows, whether straight-line or accelerated, generated from each asset. The useful lives of contract-based intangible assets are equal to the terms of the agreement.

Management evaluates the remaining useful lives and carrying values of long lived assets, including definite lived intangible assets, at least annually or when events and circumstances warrant such a review, to determine whether significant events or changes in circumstances indicate that a change in the useful life or impairment in value may have occurred. There were no impairment charges during the years ended September 30, 2017 and 2016.

Income Taxes

i3 Verticals, LLC and its subsidiaries are limited liability companies and have elected to be taxed as a partnership for income tax purposes. As such, any income (losses) flow through to the individual members of the Company and they are taxed accordingly. Some states have enacted statutes that treat partnerships as taxable entities for state income tax purposes. Thus, partnerships formed in these states or operating in these states may be subject to taxation on income generated within the states' boundaries.

The amount provided for state income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the consolidated financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws.

Under GAAP, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Valuation of Contingent Consideration

On occasion, the Company may have acquisitions which include contingent consideration. Accounting for business combinations requires the Company to estimate the fair value of any contingent purchase consideration at the acquisition date. For a discussion of the estimate methodology and the significance of various inputs, please see the subheading below titled "Use of Estimates." Changes in estimates regarding the fair value contingent purchase consideration are reflected as adjustments to the related liability and recognized within operating expenses in the consolidated statements of operations. Short and long-term contingent liabilities are presented within accrued expenses and other current liabilities and other long-term liabilities on our consolidated balance sheets, respectively.

Classification of Financial Instruments

The Company classifies certain financial instruments issued as either equity or as liabilities. Determination of classification is based upon the underlying properties of the instrument. See specific discussion regarding the nature of instruments issued, the presentation on the consolidated financial statements and the related valuation method applied in Notes 9, 11, 12 and 13.

Revenue Recognition and Deferred Revenue

Revenue is recognized when it is realized or realizable and earned, in accordance with ASC 605, *Revenue Recognition* ("ASC 605"). Recognition occurs when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the seller's price to the buyer is fixed or determinable; and (4) collectability is reasonably assured. The Company accrues for rights of refund, processing errors or penalties, or other related allowances based on historical experience.

More than 85% of our gross revenue for the years ended September 30, 2017 and 2016 is derived from volume-based payment processing fees ("discount fees") and other related fixed transaction or service fees. The remainder is comprised of sales of software licensing subscriptions, ongoing support, and other POS-related solutions the Company provides to its clients directly and through its processing bank relationships.

Discount fees represent a percentage of the dollar amount of each credit or debit transaction processed. Discount fees are recognized at the time the merchants' transactions are processed. The Company follows the requirements of ASC 605-45 Revenue Recognition—Principal Agent Considerations ("ASC 605-45"), in determining its merchant processing services revenue reporting. Generally, where the Company has control over merchant pricing, merchant portability, credit risk and ultimate responsibility for the merchant relationship, revenues are reported at the time of sale on a gross basis equal to the full amount of the discount charged to the merchant. This amount includes interchange fees paid to card issuing banks and assessments paid to payment card networks pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants. Revenues generated from merchant portfolios where the Company does not have control over merchant pricing, liability for merchant losses or credit risk or rights of portability are reported net of interchange and other fees.

Revenues are also derived from a variety of fixed transaction or service fees, including authorization fees, convenience fees, statement fees, annual fees, and fees for other miscellaneous services, such as handling chargebacks. Revenues derived from service fees are recognized at the time the services are performed and there are no further performance obligations. Revenue from the sale of equipment is recognized upon transfer of ownership and delivery to the customer, after which there are no further performance obligations.

Revenues from sales of the Company's software licensing subscriptions are recognized when they are realized or realizable and earned. Revenue is considered realized and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable and collection of the resulting receivable is reasonably assured. Contractual arrangements are evaluated for indications that multiple element arrangements may exist including instances where more-than-incidental software deliverables are included. Arrangements may contain multiple elements, such as hardware,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

software products, maintenance, and professional installation and training services. Revenues are allocated to each element based on the selling price hierarchy. The selling price for a deliverable is based on vendor specific objective evidence of selling price, if available, third party evidence, or estimated selling price. The Company establishes estimated selling price, based on the judgment of the Company's management, considering internal factors such as margin objectives, pricing practices and controls, customer segment pricing strategies and the product life cycle. In arrangements with multiple elements, the Company determines allocation of the transaction price at inception of the arrangement based on the relative selling price of each unit of accounting.

In multiple element arrangements where more-than-incidental software deliverables are included, the Company applied the residual method to determine the amount of software license revenues to be recognized. Under the residual method, if fair value exists for undelivered elements in a multiple-element arrangement, such fair value of the undelivered elements is deferred with the remaining portion of the arrangement consideration recognized upon delivery of the software license or services arrangement. The Company allocates the fair value of each element of a software related multiple-element arrangement based upon its fair value as determined by vendor specific objective evidence of selling price, with any remaining amount allocated to the software license. If evidence of the fair value cannot be established for the undelivered elements of a software arrangement, then the entire amount of revenue under the arrangement is deferred until these elements have been delivered or objective evidence can be established. These amounts, if any, are included in deferred revenue in the consolidated balance sheets. Revenues related to software licensing subscriptions, maintenance or other support services with terms greater than one month are recognized ratably over the term of the agreement.

Interchange and Network Fees and Other Cost of Services

Interchange and network fees consist primarily of fees that are directly related to discount fee revenue. These include interchange fees paid to issuers and assessment fees payable to card associations, which are a percentage of the processing volume we generate from Visa and Mastercard, as well as fees charged by card-issuing banks. Other costs of services include costs directly attributable to processing and bank sponsorship costs, which may not be based on a percentage of volume. These costs also include related costs such as residual payments to sales groups, which are based on a percentage of the net revenues generated from merchant referrals. In certain merchant processing bank relationships the Company is liable for chargebacks against a merchant equal to the volume of the transaction. Losses resulting from chargebacks against a merchant are included in other cost of services on the accompanying consolidated statement of operations. The Company evaluates its risk for such transactions and estimates its potential loss from chargebacks based primarily on historical experience and other relevant factors. The reserve for merchant losses is included within accrued expenses and other current liabilities on the accompanying consolidated balance sheets. The cost of equipment sold is also included in other cost of services. Interchange and other costs of services are recognized at the time the merchant's transactions are processed.

The Company accounts for all governmental taxes associated with revenue transactions on a net basis.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred. Advertising expense was \$920 and \$558 for the years ended September 30, 2017 and 2016, respectively, and is included in selling, general and administrative expenses in the Consolidated Statements of Operations.

Equity-based Compensation

The Company accounts for grants of equity awards to employees in accordance with ASC 718, Compensation—Stock Compensation. This standard requires compensation expense to be measured based on the estimated fair value of the share-based awards on the date of grant and recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

For the years ended September 30, 2017 and 2016, the Company recognized no equity-based compensation.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, the value of purchase consideration paid and identifiable assets acquired and assumed in acquisitions, goodwill and intangible asset impairment review, warrant valuation, revenue recognition for multiple element arrangements, loss reserves, assumptions used in the calculation of equity-based compensation and in the calculation of income taxes, and certain tax assets and liabilities as well as the related valuation allowances. Actual results could differ from those estimates.

Below is a summary of the Company's critical accounting estimates for which the nature of management's assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and for which the impact of the estimates and assumptions on financial condition or operating performance is material.

Contingent Consideration in Acquisitions

On occasion, the Company may have acquisitions that include contingent consideration. Accounting for business combinations requires us to estimate the fair value of any contingent purchase consideration at the acquisition date. Where relevant, the fair value of contingent consideration included in an acquisition is calculated using a Monte Carlo simulation.

The contingent consideration is revalued each period until it is settled. Management reviews the historical and projected performance of each acquisition with contingent consideration and uses an income probability method to revalue the contingent consideration. The revaluation requires management to make certain assumptions and represent management's best estimate at the valuation date. The probabilities are determined based on a management review of the expected likelihood of triggering events that would cause a change in the contingent consideration paid.

Goodwill

The Company tests goodwill for impairment using a fair value approach at least annually, absent some triggering event that would require an interim impairment assessment. Absent any impairment indicators, the Company performs its goodwill impairment testing as of July 1 each year.

Significant estimates and assumptions are used in the Company's goodwill impairment review and include the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units and determining the fair value of each reporting unit. The Company's assessment of qualitative factors involves significant judgments about expected future business performance and general market conditions. In a quantitative assessment, the fair value of each reporting unit is determined based on a combination of techniques, including the present value of future cash flows, applicable multiples of competitors and multiples from sales of like businesses, and requires us to make estimates and assumptions regarding discount rates, growth rates and the Company's future long-term business plans. Changes in any of these estimates or assumptions could materially affect the determination of fair value and the associated goodwill impairment charge for each reporting unit.

Warrant Valuation

As of September 30, 2017 and 2016, there were in the aggregate 1,424 warrants outstanding and exercisable to purchase Common Units related to the issuance of the Mezzanine Notes. The Mezzanine Warrants are mandatorily redeemable and embody a conditional obligation to redeem the instrument by a transfer of assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Mezzanine Warrants are remeasured at each reporting date through the settlement of the instrument and changes in value are reflected in earnings.

The Company uses the Black-Scholes option pricing model to determine the fair market value of the Mezzanine Warrants at each reporting period. The option pricing model requires the input of highly subjective assumptions, including the estimated enterprise value of the Company, expected term of the warrants, expected volatility, risk-free interest rates and discount for lack of marketability. To determine the fair value of the Mezzanine Warrants, the Company engages an outside consultant to prepare a valuation of the unit price at each reporting date, using information provided by management and information obtained from private and public sources. The fair market value of the warrants was \$767 and \$1,182 as of September 30, 2017 and 2016, respectively.

The Company uses an expected volatility based on the historical volatilities of a group of guideline companies and estimated a liquidity event in June 2018 to determine the term of the warrants. The risk-free interest rates are obtained from publicly available U.S. Treasury yield curve rates. The discount for lack of marketability was determined using the Finnerty Model.

Based on the Company's analysis, the most highly sensitive input in our option pricing model relates to management's forecasted earnings. For example, if management's forecasted earnings increases, the Company would record additional losses from the change in fair value of warrant liability. Conversely, if management's forecasted earnings decreases, the Company would record a gain from change in fair value of warrant liability. Other inputs such as expected volatility and the risk free interest rate will have a less material impact of the valuation of the warrant liability.

Subsequent Events

The Company has evaluated events through February 6, 2018, the date the consolidated financial statements were available to be issued. The Company concluded that other than as disclosed in Note 17, there were no material subsequent events to disclose.

Recently Issued Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment* (Topic 350), which removes step two of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. For public companies, this ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019, but early adoption is permitted for impairment tests after January 1, 2017. The Company has adopted this standard as of January 1, 2017. There was no impact on the Company's 2017 consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations: Clarifying the Definition of a Business* (Topic 805). This ASU clarifies the definition of a business when evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. For public companies, this ASU is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted. The Company has adopted this standard for the year ended September 30, 2017. There was no impact on its 2017 consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash* (Topic 230). The amendments in ASU 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. As an emerging growth company, the Company will

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

not be required to adopt this ASU until October 1, 2019. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. The Company is currently evaluating the impact of the adoption of this principle on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (Topic 230). The update clarifies how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. The effective date of this update is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. As an emerging growth company, the Company will not be required to adopt this ASU until October 1, 2019. The update requires retrospective application to all periods presented but may be applied prospectively if retrospective application is impracticable. The Company is currently evaluating the impact of the adoption of this principle on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU amends the existing guidance by recognizing all leases, including operating leases, with a term longer than twelve months on the balance sheet and disclosing key information about the lease arrangements. The effective date of this update is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. As a public business entity, the Company is an emerging growth company and has elected to use the extended transition period provided for such companies. As a result, the Company will not be required to adopt this ASU until October 1, 2020. The update requires modified retrospective transition, which requires application of the ASU at the beginning of the earliest comparative period presented in the year of adoption. The Company is currently evaluating the impact of the adoption of this principle on the Company's consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Simplifying the Accounting for Measurement—Period Adjustments* (Topic 805), which eliminates the requirement for an acquirer to retrospectively adjust the financial statements for measurement-period adjustments that occur in periods after the business combination is consummated. The Company has adopted this standard for the year ended September 30, 2016. There was no impact on its 2016 or 2017 consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* (Topic 606). The ASU supersedes the revenue recognition requirements in ASC 605. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard, as amended, is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. As an emerging growth company, the Company will not be required to adopt this ASU until October 1, 2019. The amendment allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company has formed a project team and is currently assessing the impact of the adoption of this principle on the Company's consolidated financial statements.

3. CREDIT RISK AND OTHER CONCENTRATIONS

The Company places its cash with high credit quality financial institutions which provide FDIC insurance. The Company performs periodic evaluations of the relative credit standing of these institutions and does not expect any losses related to such concentrations.

The Company's revenues are earned by processing transactions for merchant businesses and other institutions under contract with the Company. The Company utilizes the funds settlement services of primarily six processing banks, from which most accounts receivable are remitted monthly.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

No single merchant accounted for more than 1.0% of our revenue during the years ended 2017 and 2016. The Company believes that the loss of any single merchant would not have a material adverse effect on our financial condition or results of operations.

4. ACQUISITIONS

During the years ended September 2017 and 2016, the Company acquired the following intangible assets and businesses:

Asset Acquisitions

Residual Buyouts

From time to time, the Company acquires future commission streams from sales agents in exchange for an upfront cash payment. This results in an increase in overall gross volume to the Company. The residual buyouts are treated as asset acquisitions, resulting in recording a residual buyout intangible asset at cost on the date of acquisition. These assets are amortized using a method of amortization that reflects the pattern in which the economic benefits of the intangible asset are expected to be utilized over their estimated useful lives.

During the year ended September 30, 2017, the Company purchased \$476 in residual buyouts using a mixture of cash on hand and borrowings on our revolving line of credit. The acquired residual buyout intangible assets have an estimated amortization period of two years.

Merchant Relationships Portfolio Purchase

Effective March 31, 2017, the Company acquired a payment portfolio in an asset acquisition. The acquisition was completed to expand the Company's merchant base. Total purchase consideration was \$1,156, including \$56 in acquisition-related costs, which was funded using a combination of cash on hand and long-term debt. The purchase consideration of the acquired assets was allocated based on the relative fair values to the merchant relationships intangible asset. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years.

Business Combinations

SkyHill Software, Inc.

Effective January 1, 2016, the Company acquired substantially all assets and assumed certain liabilities of SkyHill Software, Inc. ("SkyHill, Inc."), a privately-held company doing business as Bill & Pay. SkyHill Inc. was engaged in business similar to the Company. The acquisition was completed to offer additional technology products to the Company's customers. Net purchase consideration was \$2,230, including \$750 in cash and \$1,480 of contingent cash consideration. The purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Cash	\$	4
Acquired merchant relationships		516
Capitalized software		378
Trade name		36
Non-compete agreements		23
Goodwill		1,270
Other assets		7
Total assets acquired		2,234
Deferred revenue		4
Net assets acquired	\$	2,230

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years. The capitalized software, trade name and non-compete agreement all have an amortization period of three years. The weighted-average amortization period for all intangibles acquired is nine years.

Acquisition-related costs for SkyHill, Inc. amounted to approximately \$72 during the year ended September 30, 2016 and were expensed as incurred.

Certain provisions in the purchase agreement provide for additional consideration of up to \$3,250 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through December 2018. The Company determined the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period, the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings. See additional disclosures in Note 11.

The pre-acquisition operating results of SkyHill, Inc. are not considered material to the consolidated results of operations of the Company. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

Fullerton Retail Systems, Inc.

Effective March 1, 2016, the Company acquired certain assets and assumed certain liabilities of Fullerton Retail Systems, Inc. ("Fullerton, Inc."), a privately-held company doing business as Esber Cash Register. Fullerton, Inc. was engaged in business similar to the Company. Fullerton, Inc. was a dealer of the Company's products within the education market and the acquisition was completed to provide additional service to the Company's customers. Net purchase consideration was \$2,127 which was funded using a mixture of revolver proceeds and cash on hand. The purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Inventory	\$	104
Property and equipment		67
Acquired merchant relationships		559
Trade name		39
Non-compete agreements		25
Goodwill		1,786
Total assets acquired		<u>2,580</u>
Deferred revenue		453
Net assets acquired	\$	<u>2,127</u>

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years. The trade name has an amortization period of two years and the non-compete agreement has an amortization period of three years. The weighted-average amortization period for all intangibles acquired is fourteen years.

Acquisition-related costs for Fullerton, Inc. were \$45 during the year ended September 30, 2016 and were expensed as incurred.

The pre-acquisition operating results of Fullerton, Inc. are not considered material to the consolidated results of operations of the Company. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Axia Payments, LLC

Effective April 1, 2016, the Company acquired certain assets of Axia Payments, LLC ("Axia, LLC"), a privately-held company engaged in business similar to the Company. The acquisition was completed to increase the Company's revenue and merchant base and provided another strategic processing partner. Net purchase consideration was \$28,565, which includes \$665 of the Company's Common Units issued to the seller and a cash payment which was funded using proceeds from the issuance of long-term debt. The purchase consideration of the acquired assets was allocated based on fair values as follows:

Acquired merchant relationships	\$	15,100
Capitalized software		10
Trade name		1,300
Non-compete agreements		20
Goodwill		12,089
Other assets		46
Total assets acquired	\$	28,565

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years. The trade name and non-compete have an amortization period of three years. The weighted-average amortization period for all intangibles acquired is fourteen years.

Acquisition-related costs for Axia, LLC amounted to approximately \$646 during the year ended September 30, 2016 and were expensed as incurred.

The assets the Company purchased from Axia, LLC did not represent a stand-alone entity and the historical results were not available as of the acquisition date. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

Randall Data Systems, Inc.

Effective June 1, 2016, the Company acquired substantially all assets and assumed certain liabilities of Randall Data Systems, Inc. ("Randall, Inc."), a privately-held company engaged in business similar to the Company. The acquisition was completed to expand the Company's revenue within the integrated point-of-sale market. Net purchase consideration was \$1,500, which was funded using a mixture of revolver proceeds and cash on hand. The purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Acquired merchant relationships	\$	758
Trade name		20
Non-compete agreements		50
Goodwill		720
Other assets		52
Total assets acquired		1,600
Deferred revenue		100
Net assets acquired	\$	1,500

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years. The trade name had an amortization period of one year and the non-compete has amortization period of three years. The weighted-average amortization period for all intangibles acquired is fourteen years.

Acquisition-related costs for Randall, Inc. amounted to approximately \$77 during the year ended September 30, 2016 and were expensed as incurred.

The pre-acquisition operating results of Randall, Inc. are not considered material to the consolidated results of operations of the Company. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

CSC Links, LLC

Effective December 1, 2016, the Company acquired substantially all assets of CSC Links, LLC ("CSC, LLC"), a privately-held company engaged in business similar to the Company. The acquisition was completed to expand the Company's merchant base. Net purchase consideration was \$5,221, including \$4,000 in cash and revolver proceeds and \$1,221 of contingent cash consideration. The purchase consideration of the acquired assets was allocated based on fair values as follows:

Acquired merchant relationships	\$	1,900
Non-compete agreements		10
Goodwill		3,311
Total assets acquired	\$	<u>5,221</u>

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years. The non-compete has amortization period of three years. The weighted-average amortization period for all intangibles acquired is fifteen years.

Acquisition-related costs for CSC, LLC amounted to approximately \$111 during the year ended September 30, 2017 and were expensed as incurred.

Certain provisions in the purchase agreement provide for additional consideration of up to \$4,700 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through December 2019. The Company determined the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period, the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings. See additional disclosures in Note 11.

The pre-acquisition operating results of CSC, LLC are not considered material to the consolidated results of operations of the Company. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C.C. Productions, Inc.

Effective June 30, 2017, the Company acquired certain assets and assumed certain liabilities of C.C. Productions, Inc. ("CCP, Inc."), a privately-held company engaged in business similar to the Company. CCP, Inc. was a dealer of the Company's products within the education market and the acquisition was completed to provide additional service to the Company's customers. Net purchase consideration was \$1,175 which was funded using a mixtures of revolver proceeds and cash on hand. The purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Accounts receivable	\$	30
Inventory		15
Property and equipment		57
Acquired merchant relationships		260
Non-compete agreements		30
Goodwill		841
Total assets acquired		<u>1,233</u>
Deferred revenue		58
Net assets acquired	\$	<u>1,175</u>

The goodwill associated with the acquisition is deductible for tax purposes. The acquired merchant relationships intangible asset has an estimated amortization period of fifteen years. The non-compete agreement has an amortization period of three years. The weighted-average amortization period for all intangibles acquired is fourteen years.

Acquisition-related costs for CCP, Inc. were \$62 during the year ended September 30, 2017 and were expensed as incurred.

The pre-acquisition operating results of CCP, Inc. are not considered material to the consolidated results of operations of the Company. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fairway Payments, LLC

Effective August 1, 2017, the Company acquired certain assets and assumed certain liabilities of Fairway Payments, LLC ("Fairway, LLC"), a privately-held company engaged in business similar to the Company. The acquisition was completed to add independent software vendor distribution partners, to increase our presence in the healthcare and non-profit verticals and to provide another vendor for our payment processing services. Net purchase consideration was \$39,275, which includes \$275 of Common Units issued to the seller and cash payment which was funded using proceeds from the issuance of long-term debt and from proceeds from the issuance of the Class A units. The purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Prepaid expenses and other current assets	\$	226
Property and equipment		5
Acquired merchant relationships		19,200
Non-compete agreements		40
Trade name		500
Goodwill		19,309
Total assets acquired		<u>39,280</u>
Deferred rent		<u>5</u>
Net assets acquired	\$	<u>39,275</u>

The goodwill associated with the acquisition is not deductible for tax purposes. The acquired relationships contracts intangible asset has an estimated amortization period of fifteen years. The non-compete agreement and trade name have an amortization period of three years. The weighted-average amortization period for all intangibles acquired is fifteen years.

Acquisition-related costs for Fairway, LLC were \$245 during the year ended September 30, 2017 and were expensed as incurred.

Fairway, LLC had a defined benefit pension plan ("Fairway Defined Benefit Plan"). The Fairway Defined Benefit Plan was frozen as of the date of acquisition and per the terms of the agreement the funding obligation of the plan is sole responsibility of the selling party. Accordingly, the Company has not recorded a liability for the Fairway Defined Benefit Plan.

The following unaudited pro forma results of operations have been prepared as though the acquisition of Fairway, LLC had occurred on October 1, 2015. Pro forma adjustments were made to reflect the impact of depreciation and amortization, changes to executive compensation and the revised debt load, all in accordance with ASC 805. This pro forma information does not purport to be indicative of the results of operations that would have been attained had the acquisition been made as of October 1, 2015, or of results of operations that may occur in the future.

	Year ended September 30,	
	2017	2016
Revenue	\$ 290,428	\$ 228,767
Net income (loss)	<u>\$ 3,085</u>	<u>\$ (122)</u>

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. PROPERTY AND EQUIPMENT, NET

A summary of the Company's property and equipment, net is as follows:

	Estimated Useful Life	2017	2016
Computer equipment and software	2 to 3 years	\$ 484	\$ 509
Furniture and fixtures	2 to 7 years	719	629
Terminals	2 to 3 years	991	816
Office equipment	2 to 5 years	87	93
Automobiles	3 years	56	56
Leasehold improvements	2 to 6 years	429	385
Accumulated depreciation		(1,346)	(891)
Property and equipment, net		<u>\$ 1,420</u>	<u>\$ 1,597</u>

Depreciation expense for the years ended September 30, 2017 and 2016 amounted to \$875 and \$648, respectively.

6. CAPITALIZED SOFTWARE, NET

A summary of capitalized software as of September 30, 2017 and 2016 is as follows:

	Estimated Useful Life	2017	2016
Software development costs	3 years	\$ 4,846	\$ 3,957
Development in progress		1,125	2,232
Accumulated amortization		(2,193)	(2,278)
Capitalized software, net		<u>\$ 3,778</u>	<u>\$ 3,911</u>

The Company capitalized software development costs (including acquisitions) totaling \$1,452 and \$2,380 during the years ended September 30, 2017 and 2016, respectively. Amortization expense for capitalized software development costs amounted to \$1,541 and \$1,223 during the years ended September 30, 2017 and 2016, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill are as follows:

	Merchant Services	Other	Total
Balance at September 30, 2015 (net of accumulated impairment losses of \$11,458 and \$0, respectively)	\$ 13,744	\$ 5,447	\$ 19,191
Goodwill attributable to the acquisitions of SkyHill, Inc., Fullerton Inc., Axia LLC and Randall, Inc.	12,809	3,056	15,865
Balance at September 30, 2016	26,553	8,503	35,056
Goodwill attributable to the acquisitions of CSC, LLC, CCP, Inc., and Fairway, LLC	22,620	841	23,461
Balance at September 30, 2017	<u>\$ 49,173</u>	<u>\$ 9,344</u>	<u>\$ 58,517</u>

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets consisted of the following as of September 30, 2017:

	Cost	Accumulated Amortization	Carrying Value	Amortization Life and Method
Finite-lived intangible assets:				
Merchant relationships	\$ 84,191	\$ (26,855)	\$ 57,336	15 years – accelerated or straight-line
Non-compete agreements	446	(276)	170	2 to 3 years – straight-line
Website development costs	46	(33)	13	3 years – straight-line
Trade names	2,202	(922)	1,280	2 to 5 years – straight-line
Residual buyouts	476	(44)	432	2 years – straight-line
Total finite-lived intangible assets	87,361	(28,130)	59,231	
Indefinite-lived intangible assets:				
Trademarks	28	—	28	
Total identifiable intangible assets	\$ 87,389	\$ (28,130)	\$ 59,259	

Intangible assets consisted of the following as of September 30, 2016:

	Cost	Accumulated Amortization	Carrying Value	Amortization Life and Method
Finite-lived intangible assets:				
Merchant relationships	\$ 61,674	\$ (19,985)	\$ 41,689	15 years – accelerated or straight-line
Non-compete agreements	623	(384)	239	2 to 3 years – straight-line
Website development costs	40	(19)	21	3 years – straight-line
Trade names	2,126	(754)	1,372	2 to 5 years – straight-line
Total finite-lived intangible assets	64,463	(21,142)	43,321	
Indefinite-lived intangible assets:				
Trademarks	24	—	24	
Total identifiable intangible assets	\$ 64,487	\$ (21,142)	\$ 43,345	

Amortization expense for intangible assets amounted to \$7,669 and \$8,027 during the years ended September 30, 2017 and 2016, respectively.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Based on gross carrying amounts at September 30, 2017, our estimate of future amortization expense for intangible assets are presented in the table below.

2018	\$	7,730
2019		6,403
2020		5,115
2021		4,473
2022		4,118
Thereafter		31,392
	<u>\$</u>	<u>59,231</u>

8. ACCRUED EXPENSES AND OTHER LIABILITIES

A summary of accrued expenses and other current liabilities as of September 30, 2017 and 2016 is as follows:

	2017	2016
Accrued wages, bonuses, commissions and vacation	\$ 1,298	\$ 1,185
Accrued interest	529	335
Accrued contingent consideration — current portion	2,229	2,937
Other current liabilities	2,650	2,145
Accrued expenses and other current liabilities	<u>\$ 6,706</u>	<u>\$ 6,602</u>

A summary of the long-term liabilities as of September 30, 2017 and 2016 is as follows:

	2017	2016
Accrued contingent consideration — long-term portion	\$ 1,111	\$ 2,600
Warrant liabilities	767	1,182
Other long-term liabilities	187	146
Total other long-term liabilities	<u>\$ 2,065</u>	<u>\$ 3,928</u>

9. LONG-TERM DEBT, NET

A summary of long-term debt, net as of September 30, 2017 and 2016 is as follows:

	Maturity	2017	2016
Notes payable to Mezzanine Lenders	November 29, 2020	\$ 10,500	\$ 10,500
Unsecured notes payable to related and unrelated creditors	February 14, 2019	16,108	16,608
Term loans to bank	April 29, 2020	14,000	19,000
Revolving lines of credit to banks	April 29, 2020	71,600	39,000
Debt issuance costs		(1,372)	(1,571)
Total long-term debt, net of issuance costs		110,836	83,537
Less current portion of long-term debt		(4,000)	(5,000)
Long-term debt, net of current portion		<u>\$ 106,836</u>	<u>\$ 78,537</u>

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes payable to Mezzanine Lenders

During 2013, the Company issued notes payable in the aggregate principal amount of \$10,500 (the "Mezzanine Notes") to three creditors ("Mezzanine Lenders"). The Mezzanine Notes accrue interest at a fixed rate of 12.0%, payable monthly, and initially were due to mature in February 2018. In April 2016, the Mezzanine Notes were amended and restated and the maturity dates were extended to November 29, 2020, when all outstanding principal and accrued and unpaid interest is due. The amendment was accounted for as a modification under the guidance at ASC 470-50, Debt — Modifications and Extinguishments ("ASC 470-50"). The Mezzanine Notes are secured by substantially all assets of the Company in accordance with the terms of the security agreement and are subordinate to the term loans to banks and revolving lines of credit to banks.

In connection with the issuance of the Mezzanine Notes, the Company granted detachable warrants ("Mezzanine Warrants") to purchase 1,424 Common Units. The warrants were determined to have no material value as of the grant date, and are further described below.

The provisions of the Mezzanine Notes place certain restrictions and limitations upon the Company. These include restrictions on additional borrowings, capital expenditures, maintenance of certain financial ratios, and certain non-financial covenants pertaining to the activities of the Company during the period covered. The Company was in compliance with such covenants as of September 30, 2017 and 2016. The Mezzanine Lenders participated in the June 2016 and July 2017 Class A Unit offerings (see Note 13).

Unsecured convertible notes payable to related party

During 2013, the Company obtained proceeds of \$1,000 from the issuance of an unsecured convertible note payable to a related party. The note accrued interest at a fixed rate of 10.0%, payable monthly, and was set to mature on February 14, 2019, when all outstanding principal and accrued and unpaid interest was due. The note contained a conversion option into the Company's Class A Units until the maturity date. In March 2016 the note was converted into 1,000 Class A units in the Company pursuant to the provisions of the note. See additional disclosures in Note 13 and Note 15.

Term loans payable to banks and revolving lines of credit payable to banks

In April and July 2016, the Company amended its existing syndicated credit facility (the "2016 Senior Secured Credit Facility") with certain banks. The 2016 Senior Secured Credit Facility consists of term loans in the principal amount of \$19,000 and an \$80,000 revolving line of credit. The 2016 Senior Secured Credit Facility accrues interest, payable monthly, at prime plus a margin of 0.50% to 2.00% (1.50% as of September 30, 2017) or at the 30-day LIBOR rate plus a margin of 3.50% to 5.00% (4.50% as of September 30, 2017), in each case depending on our ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the 2016 Senior Secured Credit Facility requires the Company to pay unused commitment fees of up to 0.30% (0.30% as of September 30, 2017) on any undrawn amounts under the revolving line of credit. Through the April and July 2016 amendments, the maturity date of the 2016 Senior Secured Credit Facility was extended to April 29, 2020. The amendments were accounted for as a modification under the guidance at ASC 470-50. Principal payments of \$1,000 are due on the last day of each calendar quarter until the maturity date, when all outstanding principal and accrued and unpaid interest are due. At September 30, 2017 and 2016, respectively, there was \$8,400 and \$41,000 available for borrowing under the revolving line of credit.

The 2016 Senior Secured Credit Facility was amended in July 2017 to enable the purchase of Fairway, LLC and to amend certain covenant requirements.

The 2016 Senior Secured Credit Facility is secured by substantially all assets of the Company. The banks hold senior rights to collateral and principal repayment over all other creditors.

The provisions of the 2016 Senior Secured Credit Facility place certain restrictions and limitations upon the Company. These include, among others, restrictions on liens, investments, indebtedness, fundamental changes and dispositions; maintenance of certain financial ratios; and certain non-financial covenants pertaining to the

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

activities of the Company during the period covered. The Company was in compliance with such covenants as of September 30, 2017 and 2016. In addition, the 2016 Senior Secured Credit Facility restricts our ability to make dividends or other distributions to the holders of our equity. We are permitted to (i) make distributions to the holders of our equity in order to pay taxes incurred by owners of equity in i3 Verticals, LLC by reason of such ownership, (ii) move intercompany cash between subsidiaries that are joined to the 2016 Senior Secured Credit Facility, (iii) repurchase equity from employees, directors, officers or consultants after an initial public offering of our equity in an aggregate total not to exceed \$1.5 million per year, and (iv) make other dividends or distributions in an aggregate amount not to exceed 5% of the net cash proceeds received from any additional common equity issuance after an initial public offering. We are also permitted to make noncash dividends in the form of additional equity issuances. All other forms of dividends or distributions are prohibited under the 2016 Senior Secured Credit Facility.

The 2016 Senior Secured Credit Facility was modified on October 30, 2017 and replaced by a new credit agreement. See additional disclosures in Note 17.

Unsecured notes payable to related and unrelated creditors

During 2014, the Company issued notes payable ("Junior Subordinated Notes") in the aggregate principal of \$17,608 to unrelated and related creditors. The notes accrue interest, payable monthly, at a fixed rate of 10.0% and mature on February 14, 2019, when all outstanding principal and accrued and unpaid interest are due. However, the unsecured notes are subordinated to the Mezzanine Notes and the Senior Secured Credit Facility, which both have maturities beyond the Junior Subordinated Notes, and the provisions of the Mezzanine Notes and Senior Secured Credit Facility do not permit the payment of any subordinated debt prior to its maturity. Should the Junior Subordinated Notes reach maturity and the current terms of the Mezzanine Notes and Senior Secured Credit Facility remain in place, the term of the Junior Subordinated Notes would be extended until after the maturity of the Mezzanine Notes and Senior Secured Credit Facility, in accordance with the terms of the Junior Subordinated Notes.

In connection with the issuance of the Junior Subordinated Notes, the Company granted detachable warrants ("Junior Subordinated Notes Warrants") to purchase 1,434 Common Units. Management determined that the warrants had no material stand-alone fair value, and none of the proceeds from the notes was attributed to the warrants. The warrants are accounted for as equity. See additional disclosures in Note 13.

In June 2016, \$1,000 of the Junior Subordinated Notes were retired and exchanged for 310 Class A Units of the Company. The fair value of the Class A Units issued approximated the carrying amount of the Junior Subordinated Notes, so no extinguishment gain or loss was recognized. See additional disclosures in Note 13 and Note 15.

In July 2017, \$500 of the Junior Subordinated Notes were retired and exchanged for 148 Class A Units of the Company. The fair value of the Class A Units issued approximated the carrying amount of the Junior Subordinated Notes, so no extinguishment gain or loss was recognized. See additional disclosures in Note 13 and Note 15.

At September 30, 2017, \$16,108 of the Junior Subordinated Notes remain outstanding.

Debt issuance costs

During the year ended September 30, 2017 and 2016, the Company incurred debt issuance costs totaling \$254 and \$876, respectively, in connection with the issuance of long-term debt. The debt issuance costs are being amortized over the related term of the debt using the straight-line method and are presented net against long-term debt in the consolidated balance sheets. As part of the April 2016 amendment to the 2016 Senior Secured Credit Facility, the Company expensed a nominal amount of unamortized debt issuance costs related to the exit of a participating bank from the 2016 Senior Secured Credit Facility. The amortization of deferred debt issuance costs is included in interest expense and amounted to approximately \$453 and \$443 during the years ended September 30, 2017 and 2016, respectively.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Mezzanine Warrants

As of September 30, 2017 and 2016, there were in the aggregate 1,424 warrants outstanding and exercisable to purchase Common Units related to the issuance of the Mezzanine Notes. The intrinsic value of the Mezzanine warrants was \$767 and \$1,182 as of September 30, 2017 and 2016, respectively.

	Warrants	Expiration	Exercise Price
Mezzanine Warrants	1,424	November 29, 2020	\$ 0.010

The Mezzanine Warrants are mandatorily redeemable and embody a conditional obligation to redeem the instrument by a transfer of assets. The Company uses the Black-Scholes option pricing model to determine the fair market value of the Mezzanine Warrants at each reporting date. The option pricing model requires the input of highly subjective assumptions, including the estimated enterprise value of the Company, expected term of the warrants, expected volatility, risk-free interest rates and discount for lack of marketability. See additional disclosures in Note 11. To determine the fair value of the Mezzanine Warrants, the Company engages an outside consultant to prepare a valuation of the unit price for each reporting period, using information provided by management and information obtained from private and public sources. We use an expected volatility based on the historical volatilities of a group of guideline companies and estimated a liquidity event in June 2018 to determine the term of the warrants. The risk-free interest rates are obtained from publicly available U.S. Treasury yield curve rates. The discount for lack of marketability was determined using the Finnerty Model. The Mezzanine Warrants are remeasured at each reporting date through the settlement of the instrument and changes in value are reflected in earnings. The fair market value of the warrants was \$767 and \$1,182 at September 30, 2017 and 2016, respectively, and is reflected within other long-term liabilities within the accompanying consolidated balance sheets.

10. INCOME TAXES

The Company files U.S. Federal and various state income tax returns. The returns are generally open to audit under the statutes of limitations for three years following the later of the initial due date of the return or the date filed. The Company's tax years 2014-2017 remain subject to examination. The Company is not a taxable entity for federal income tax purposes. The Company's aggregate tax basis in its net assets exceeds its aggregate book basis in its net assets by approximately \$26,209 at September 30, 2017. While most states do not impose an entity level tax on partnership income, the Partnership is subject to entity level tax in both Tennessee and Texas.

As of September 30, 2017 and 2016, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

	Year ended September 30,	
	2017	2016
Current state tax expense	\$ 121	\$ 246
Deferred state tax expense (benefit)	56	(3)
Income tax expense	<u>\$ 177</u>	<u>\$ 243</u>

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred state income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. Net deferred taxes as of September 30, 2017 and 2016 were as follows:

	2017	2016
Deferred tax assets:		
Accrued expenses	\$ 3	\$ 301
Intangible assets	68	126
Net operating loss carryforwards	94	130
Other	10	12
Gross deferred tax assets	175	569
Valuation allowance	(93)	(428)
Gross deferred tax liabilities	(4)	(7)
Net deferred tax asset	\$ 78	\$ 134

State net operating loss carryforwards for the Company were \$22,520 as of September 30, 2017 and will expire between years 2027 and 2032. The state net operating loss carryforwards are included in Other assets within the Consolidated Balance Sheets.

11. FAIR VALUE MEASUREMENTS

The Company applies the provisions of ASC 820, Fair Value Measurement, which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or the price paid to transfer a liability as of the measurement date. A three-tier, fair-value reporting hierarchy exists for disclosure of fair value measurements based on the observability of the inputs to the valuation of financial assets and liabilities. The three levels are:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable in active exchange markets.

The carrying value of the Company's financial instruments, including cash and cash equivalents, restricted cash, settlement assets and obligations, accounts receivable, other assets, accounts payable, and accrued expenses approximated their fair values as of September 30, 2017 and 2016, because of the relatively short maturity dates on these instruments. The carrying amount of debt approximates fair value as of September 30, 2017 and 2016, because interest rates on these instruments approximate market interest rates.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has no Level 1 or Level 2 financial instruments. The following tables present the changes in our Level 3 financial instruments that are measured at fair value on a recurring basis.

	Mezzanine Warrants (Note 9)	Accrued Contingent Consideration
Balance at September 30, 2015	\$ 1,210	\$ 7,041
Change in the fair value of warrant liabilities, included in Other expenses	(28)	—
Contingent consideration accrued at time of business combination (Note 4)	—	1,480
Change in fair value of contingent consideration included in Operating expenses	—	2,458
Contingent consideration paid	—	(5,442)
Balance at September 30, 2016	1,182	5,537
Change in the fair value of warrant liabilities, included in Other expenses	(415)	—
Contingent consideration accrued at time of business combination (Note 4)	—	1,221
Change in fair value of contingent consideration included in Operating expenses	—	(218)
Contingent consideration paid	—	(3,200)
Balance at September 30, 2017	\$ 767	\$ 3,340

Approximately \$2,229 and \$2,937 of contingent consideration was recorded in accrued expenses and other current liabilities as of September 30, 2017 and 2016, respectively. Approximately \$1,111 and \$2,600 of contingent consideration was recorded in other long-term liabilities as of September 30, 2017 and 2016, respectively.

12. REDEEMABLE CLASS A UNITS

In December of 2012 the Company issued 4,900 Redeemable Class A Units. Upon receipt of a redemption request following the termination of employment of the current Chief Executive Officer of the Company (the redemption event), the Company is required to redeem all of the outstanding Redeemable Class A Units held by certain members. The redemption price of the Redeemable Class A Units is equal to the greater of (i) the fair value of the Redeemable Class A Unit or (ii) original issue price per Redeemable Class A Unit plus any preferred returns through the date of the redemption request. The redemption event was not probable as of September 30, 2017 and 2016.

The Company previously classified the Redeemable Class A Units containing the redemption features described above as permanent equity, as permitted by the accounting standards applicable to companies that do not file financial statements with the SEC. As required by the SEC's rules, amounts related to these instruments have been classified as temporary equity in the accompanying consolidated balance sheets.

As of September 30, 2017 and 2016, there were 4,900 Redeemable Class A Units issued and outstanding.

Preferred Returns

Holders of Redeemable Class A Units have preferred return rights in preference to any declaration or distribution to holders of Class P Units or Common Units, and equal to other Class A Units. Preferred returns on the Redeemable Class A Units accrue at an amount equal to 10.0% per unit per annum of the original issue price, compounded annually, whether or not declared by the board of directors, and are cumulative. After preferential payment to the holder of Redeemable Class A Units and other Class A Units, any additional distributions declared will be distributed pro-rata to the holders of Class A Units, Common Units and Class P Units, in proportion to their respective units. Total cumulative preferred returns included within the carrying amount of the Redeemable Class A Units amounted to \$2,823 and \$2,122 as of September 30, 2017 and 2016, respectively.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Liquidation

In the event of a deemed liquidation, the holders of Redeemable Class A Units and other Class A Units will be entitled to receive a liquidation amount prior to and in preference to any distribution of any of the assets of the Company to all other holders of the Company's securities. The Redeemable Class A Unit liquidation preference is equal to original issue price per Redeemable Class A Unit plus any accrued but unpaid returns thereon. After preferential payment to the holders of Class A Units and Redeemable Class A Units, the remaining assets of the Company will be distributed pro-rata to the holders of Class A Units, Redeemable Class A Units, Class P Units, and Common Units, in proportion to their respective units. As of September 30, 2017 and 2016, the aggregate liquidation preference of Redeemable Class A Units totaled \$7,723 and \$7,022, respectively.

During 2017 and 2016 as obligated under the provisions of its member agreements, the Company declared distributions of approximately \$131 and \$354, respectively, to its Redeemable Class A Unit holders in connection with the members' estimated tax liabilities.

13. MEMBER'S EQUITY (DEFICIT)

As of September 30, 2017, the Company has authorized the issuance of Class A Units, Class P Units and Common Units. Any offering costs associated with the issuance of units are presented net within equity.

Valuation

As necessary, when the Company issues Class A Units, Common Units or Class P Units it obtains a valuation based on the Option Pricing Method, using an EBITDA multiple. The Company considers liquidation preferences and marketability in its valuation of the respective Unit classes.

Voting

The holders of Class A Units, voting together as a single class, are entitled to cast the number of votes equal to the number of Class A Units held by such holder. Class P Units and Common Units are non-voting.

Class A Units

The following table summarizes the unit activity related to Class A Units for the years ended September 30, 2017 and 2016.

Class A Units as of September 30, 2015	5,950
Conversion of unsecured note payable to related party to Class A units	1,000
Exchange of Junior Subordinated notes for Class A Units	310
2016 offering of Class A units	2,786
Class A Units as of September 30, 2016	10,046
2017 offering of Class A units	3,698
Exchange of Junior Subordinated notes for Class A Units	148
Class A Units as of September 30, 2017	13,892

Issuance of Class A Units

During March 2016, an existing \$1,000 unsecured note payable to related party was converted into 1,000 Class A Units in the Company pursuant to the provisions of the note. See additional disclosures in Note 9.

During June 2016, \$1,000 of the existing Junior Subordinated Notes were exchanged for Class A Units at a rate of \$3.23 per Unit. In total, 310 Class A Units were issued. See additional disclosures in Note 9.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During June 2016, the Company raised \$9,000 from the issuance of Class A Units at a rate of \$3.23 per Unit. In total, 2,786 Class A Units were issued.

During July 2017, the Company raised \$12,500 from the issuance of Class A Units at a rate of \$3.38 per Unit. In total, 3,698 Class A Units were issued.

During July 2017, \$500 of the existing Junior Subordinated Notes were exchanged for Class A Units at a rate of \$3.38 per Unit. In total, an additional 148 Class A Units were issued. See additional disclosures in Note 9.

Preferred Returns

Holders of Class A Units have preferred return rights in preference to any declaration or distribution to holders of Class P Units or Common Units. Preferred returns on the Class A Units accrue at an amount equal to 10.0% per unit per annum of the original issue price, compounded annually, whether or not declared by the board of directors, and are cumulative. After preferential payment to the holder of Class A Units, any additional distributions declared will be distributed pro-rata to the holders of Class A Units, Common Units and Class P Units, in proportion to their respective units. Total cumulative preferred returns included within the carrying amount of the Class A Units amounted to \$5,105 and \$2,882 as of September 30, 2017 and 2016, respectively.

Liquidation

In the event of a deemed liquidation, the holders of Class A Units and Redeemable Class A Units will be entitled to receive, a liquidation amount prior to and in preference to any distribution of any of the assets of the Company to all other holders of the Company's securities. The Class A Unit liquidation preference is equal to original issue price per Class A Unit plus any accrued returns but unpaid thereon. After preferential payment to the holders of Class A Units and Redeemable Class A Units, the remaining assets of the Company will be distributed pro-rata to the holders of Class A Units, Redeemable Class A Units, Class P Units, and Common Units, in proportion to their respective units. As of September 30, 2017 and 2016, the aggregate liquidation preference of Class A Units totaled \$35,056 and \$19,833, respectively.

During 2017, and 2016 as obligated under the provisions of its member agreements, the Company declared distributions of approximately \$625 and \$410, respectively, to its Class A Unit holders in connection with the members' estimated tax liabilities.

Common Units

As of September 30, 2017, 2016 and 2015, there were 1,549, 1,049 and 384 of Common Units issued and outstanding, respectively. Common Units are generally issued in association with acquisitions. These Common Units were subject to restrictions that establish forfeiture provisions and limit the transferability, encumbrance and disposition of Common Units.

Issuance of Common Units

During April 2016, in connection with the acquisition of Axia, LLC, the Company issued \$665 of Common Units as part of the purchase price consideration.

During July 2017, in connection with the acquisition of Fairway, LLC the Company issued \$275 of Common Units as part of the purchase price consideration.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Junior Subordinated Notes Warrants

As of September 30, 2017 and 2016, there were in the aggregate 1,434 warrants outstanding and exercisable to purchase Common Units which are classified as equity instruments. The warrants were issued in connection with the issuance of the Junior Subordinated Notes (Note 9). As of September 30, 2017 and 2016, the intrinsic value of the junior subordinated warrants was \$0.

	Warrants	Expiration	Exercise Price
Junior Subordinated Notes Warrants	1,434	February 14, 2024	\$ 2.095

The Junior Subordinated Notes Warrants were issued at zero value and are reflected within members' equity within the accompanying Consolidated Balance Sheets.

Mezzanine Warrants

As of September 30, 2017 and 2016, there were in the aggregate 1,424 warrants outstanding and exercisable to purchase Common Units which are classified as long-term liabilities. The warrants were issued in connection with the issuance of the Mezzanine Notes. See additional disclosures in Note 9.

Restricted Class P Units

As of September 30, 2017 and 2016, respectively, there were 4,771 and 3,239 vested, and 2,876 and 2,656 non-vested restricted Class P Units issued and outstanding to certain Board members and employees. The Class P Units are subject to restrictions which establish forfeiture provisions, limit the transferability, encumbrance and disposition of units, and establish vesting provisions.

All Class P Units are issued at a participation threshold above the valuation of the Company at the grant date. As a result, they have a nominal value, individually and in the aggregate, at the grant date. Using an option-pricing model and considering liquidation preferences of the Class P Units, as well as the lack of marketability, management has determined that any compensation expense related to the restricted units is immaterial to the consolidated financial statements.

14. COMMITMENTS AND CONTINGENCIES

Leases

The Company utilizes office space and equipment under operating leases. Rent expense under these leases amounted to \$997 and \$690 during the years ended September 30, 2017 and 2016, respectively. A summary of approximate future minimum payments under these leases as of September 30, 2017 is as follows:

Years ending September 30:

2018	\$ 1,040
2019	1,006
2020	964
2021	696
2022	660
Thereafter	1,222
Total	\$ 5,588

Minimum Processing Commitments

We have non-exclusive agreements with several processors to provide us services related to transaction processing and transmittal, transaction authorization and data capture, and access to various reporting tools.

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Certain of these agreements require us to submit a minimum monthly number of transactions for processing. If we submit a number of transactions that is lower than the minimum, we are required to pay to the processor the fees it would have received if we had submitted the required minimum number of transactions. As of September 30, 2017, such minimum fee commitments were as follows:

Years ending September 30:

2018	\$	4,959
2019		1,300
2020		1,300
Thereafter		—
Total	\$	7,559

The Company met all minimum fee commitments for the years ended September 30, 2017 and 2016.

Litigation

With respect to all legal, regulatory and governmental proceedings, and in accordance with ASC 450-20, *Contingencies—Loss Contingencies*, the Company considers the likelihood of a negative outcome. If the Company determines the likelihood of a negative outcome with respect to any such matter is probable and the amount of the loss can be reasonably estimated, the Company records an accrual for the estimated amount of loss for the expected outcome of the matter. If the likelihood of a negative outcome with respect to material matters is reasonably possible and the Company is able to determine an estimate of the amount of possible loss or a range of loss, whether in excess of a related accrued liability or where there is no accrued liability, the Company discloses the estimate of the amount of possible loss or range of loss. However, the Company in some instances may be unable to estimate an amount of possible loss or range of loss based on the significant uncertainties involved in, or the preliminary nature of, the matter, and in these instances the Company will disclose the nature of the contingency and describe why the Company is unable to determine an estimate of possible loss or range of loss.

In addition, the Company is involved in ordinary course legal proceedings, which include all claims, lawsuits, investigations and proceedings, including unasserted claims, which are probable of being asserted, arising in the ordinary course of business and otherwise not described below. The Company has considered all such ordinary course legal proceedings in formulating its disclosures and assessments.

In June 2016, Expert Auto Repair, Inc., for itself and on behalf of a class of additional plaintiffs, and Jeff Straight initiated a class action lawsuit against us, as successor to Merchant Processing Solutions, LLC, seeking damages, restitution and declaratory and injunctive relief (the "Expert Auto Litigation"). The plaintiffs alleged that our predecessor engaged in unfair business practices in the merchant services sector including unfairly inducing merchants to obtain credit and debit card processing services and thereafter assessing them with improper fees. Subject to preliminary and final court approval, we have entered into a settlement agreement to settle the plaintiffs' claims for \$995, pending court approval of the settlement, which is reflected in general and administrative expenses and accrued expenses and other current liabilities as of and for the year ended September 30, 2017.

In connection with the Expert Auto Litigation, in November 2016 our insurance carrier, Starr Indemnity and Liability Company, Inc. ("Starr"), filed a complaint against us seeking a declaration that our insurance policies with Starr would not cover a settlement or award granted to the Expert Auto Litigation plaintiffs. The Company intends to vigorously defend against Starr's claims.

Other

Our subsidiary CP-PS, LLC has certain indemnification obligations in favor of FDS Holdings, Inc. related to the acquisition of certain assets of Merchant Processing Solutions, LLC in February 2014. We have incurred

i3 VERTICALS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

expenses related to these indemnification obligations in prior periods and may have additional expenses in the future. However, after taking into consideration the evaluation of such matters by the Company's legal counsel, the Company's management believes at this time that the anticipated outcome of any existing or potential indemnification liabilities related to this matter will not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

15. RELATED PARTY TRANSACTIONS

Related parties held \$6,158 and \$6,658 of our Company's Junior Subordinated Notes as of September 30, 2017 and 2016, respectively. Additionally, as of September 30, 2015, a related party held a \$1,000 convertible note payable. Interest expense to related parties for the Company's Junior Subordinated Notes and the Company's unsecured convertible note payable to related party amounted to \$632 and \$831 during the years ended September 30, 2017 and 2016, respectively.

The conversion of the \$1,000 unsecured convertible note payable to a related party into Class A Units in March 2016 was made by a related party. See additional disclosures in Note 9 and Note 13.

The exchanges for Junior Subordinated Notes for Class A Units in June 2016 and July 2017 were made by a related party and approved by the Company's board of directors. See additional disclosures in Note 9 and Note 13.

All lenders party to the Company's Mezzanine Notes are considered related parties, through their ownership interest in the Company and affiliated director relationships. Interest expense to related parties for the Company's Mezzanine Notes amounted to \$1,282 and \$1,280 during the years ended September 30, 2017 and 2016, respectively.

In April, 2016, we entered into a purchase agreement to purchase certain assets of Axia, LLC, pursuant to which we acquired certain legacy agreements with Merrick Bank Corporation. On April 29, 2016, the Company entered into a Processing Services Agreement (the "Axia Tech Agreement") with Axia Technologies, LLC ("Axia Tech"), an entity controlled by the previous owner of Axia, LLC. Under the Axia Tech Agreement, we agreed to provide processing services for certain merchants as designated by Axia Tech from time to time. In accordance with ASC 605-45, revenue is recognized net of interchange, residual expense and other fees. We earned net revenues of \$27 and \$5 related to the Axia Tech Agreement during the years ended September 30, 2017 and 2016, respectively. i3 Verticals, LLC, our CEO and our CFO each own 3%, 11% and 1%, respectively, of the outstanding equity of Axia Tech.

16. SEGMENTS

The Company determines its operating segments based on how the chief operating decision making group monitors and manages the performance of the business. The Company's operating segments are strategic business units that offer different products and services.

Our core business is delivering seamless integrated payment and software solutions to small- and medium-sized businesses ("SMBs") and organizations in strategic vertical markets. This is primarily accomplished through Merchant Services, which constitutes an operating segment. We also provide integrated payment services with proprietary owned software. The proprietary owned software operating segments do not meet applicable materiality thresholds for separate segment disclosure or aggregation, but are included as the primary components of an "all other" category under GAAP as set forth below. The other category also includes corporate overhead expenses.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We primarily use processing margin to measure operating performance. The following is a summary of reportable segment operating performance for the years ended September 30, 2017 and 2016.

	As of and for the Year Ended September 30, 2017		
	Merchant Services	Other	Total
Revenue	\$ 248,005	\$ 14,566	\$ 262,571
Operating expenses			
Interchange and network fees	185,141	3,971	189,112
Other costs of services	27,350	1,448	28,798
Selling general and administrative	13,858	13,336	27,194
Depreciation and amortization	8,029	2,056	10,085
Change in fair value of contingent consideration	192	(410)	(218)
Income (loss) from operations	<u>\$ 13,435</u>	<u>\$ (5,835)</u>	<u>\$ 7,600</u>
Processing margin ^(a)	\$ 47,389	\$ 9,370	\$ 56,759
Total assets	\$ 113,568	\$ 26,423	\$ 139,991
Goodwill	\$ 49,173	\$ 9,344	\$ 58,517

(a) Processing margin is equal to revenue less interchange and network fees, less other costs of services. \$11,875 and \$223 of residual expense, a component of other costs of services, are added back to the Merchant Services segment and Other category, respectively.

	As of and for the Year Ended September 30, 2016		
	Merchant Services	Other	Total
Revenue	\$ 187,720	\$ 11,924	\$ 199,644
Operating expenses			
Interchange and network fees	137,801	3,197	140,998
Other costs of services	20,318	1,616	21,934
Selling general and administrative	8,970	11,423	20,393
Depreciation and amortization	8,233	1,665	9,898
Change in fair value of contingent consideration	2,371	87	2,458
Income (loss) from operations	<u>\$ 10,027</u>	<u>\$ (6,064)</u>	<u>\$ 3,963</u>
Processing margin ^(a)	\$ 37,992	\$ 7,578	\$ 45,570
Total assets	\$ 73,652	\$ 26,630	\$ 100,282
Goodwill	\$ 26,553	\$ 8,503	\$ 35,056

(a) Processing margin is equal to revenue less interchange and network fees, less other costs of services. \$8,391 and \$467 of residual expense, a component of other costs of services, are added back to the Merchant Services segment and Other category, respectively.

Corporate overhead expenses contributed losses from operations of \$6,166 and \$5,156, and depreciation and amortization of \$118 and \$109 for the years ended September 30, 2017 and 2016, respectively.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. SUBSEQUENT EVENTS

New Senior Secured Credit Facility

On October 30, 2017 the Company replaced its existing 2016 Senior Secured Credit Facility with a new credit agreement (the "Senior Secured Credit Facility"). The Senior Secured Credit Facility consists of term loans in the principal amount of \$40,000 and an \$110,000 revolving line of credit. The Senior Secured Credit Facility accrues interest, payable monthly, at prime plus a margin of 0.50% to 2.00% or at the 30-day LIBOR rate plus a margin of 2.75% to 4.00%, in each case depending on the ratio of consolidated debt to EBITDA, as defined in the agreement. Additionally, the Senior Secured Credit Facility requires the Company to pay unused commitment fees of up to 0.30% on any undrawn amounts under the revolving line of credit. The maturity date of the Senior Secured Credit Facility is the earlier of October 30, 2022 or 181 days before the maturity date of the Mezzanine Notes. Principal payments of \$1,250 are due on the last day of each calendar quarter until the maturity date, when all outstanding principal and accrued and unpaid interest are due.

The Senior Secured Credit Facility is secured by substantially all assets of the Company. The notes payable to banks and revolving line of credit to banks hold senior rights to collateral and principal repayment over all other creditors.

The provisions of the Senior Secured Credit Facility place certain restrictions and limitations upon the Company. These include, among others, restrictions on liens, investments, indebtedness, fundamental changes and dispositions; maintenance of certain financial ratios; and certain non-financial covenants pertaining to the activities of the Company during the period covered. In addition, the Senior Secured Credit Facility restricts our ability to make dividends or other distributions to the holders of our equity. We are permitted to (i) make cash distributions to the holders of our equity in order to pay taxes incurred by owners of equity in i3 Verticals, LLC, by reason of such ownership, (ii) move intercompany cash between subsidiaries that are joined to the Senior Secured Credit Facility (iii) repurchase equity from employees, directors, officers or consultants after the restructuring of the Company in connection with an initial public offering of our equity in an aggregate amount not to exceed \$1.5 million per year, and (iv) make other dividends or distributions in an aggregate amount not to exceed 5% of the net cash proceeds received from any additional common equity issuance after an initial public offering. We are also permitted to make noncash dividends in the form of additional equity issuances. All other forms of dividends or distributions are prohibited under the Senior Secured Credit Facility.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Purchase of San Diego Cash Register Company, Inc.

On October 31, 2017, the Company closed an agreement to purchase all of the outstanding stock of San Diego Cash Register Company, Inc. ("SDCR, Inc."). Total purchase consideration was \$20,834 which includes \$104 of Common Units issued to the seller. The acquisition was funded using \$20,000 in proceeds from the issuance of long-term debt from the Senior Secured Credit Facility and \$730 of contingent consideration. The effect of the acquisition will be included in our Consolidated Statements of Operations beginning November 1, 2017. The preliminary purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Cash and cash equivalents	\$	1,338
Accounts receivable		1,008
Related party receivable		773
Inventories		1,318
Prepaid expenses and other current assets		1,176
Property and equipment		69
Acquired merchant relationships		5,500
Non-compete agreements		40
Trade name		1,340
Goodwill		17,094
Total assets acquired		29,656
Accounts payable		1,342
Accrued expenses and other current liabilities		3,123
Deferred revenue, current		2,500
Other long-term liabilities		1,857
Net assets acquired	\$	20,834

We are still evaluating the allocation of the preliminary purchase consideration. The goodwill associated with the acquisition is not deductible for tax purposes. The acquired relationships contracts intangible asset has an estimated amortization period of twelve years. The non-compete agreement and trade name have an amortization period of two and five years, respectively. The weighted-average amortization period for all intangibles acquired is eleven years.

Acquisition-related costs for SDCR, Inc. were \$198 and were expensed as incurred.

Certain provisions in the purchase agreement provide for additional consideration of up to \$2,400 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through October 2019. The Company determined the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings.

i3 VERTICALS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma results of operations have been prepared as though the acquisition of SDCR, Inc. had occurred on October 1, 2016 and the acquisition of Fairway, LLC had occurred on October 1, 2015 (see Note 4). Pro forma adjustments were made to reflect the impact of depreciation and amortization, changes to executive compensation and the revised debt load, all in accordance with ASC 805. This pro forma information does not purport to be indicative of the results of operations that would have been attained had the acquisitions been made on these dates, or of results of operations that may occur in the future.

	<u>Year ended September 30, 2017</u>
Revenue	\$ 308,940
Net income	\$ 4,638

Purchase of Court Solutions, LLC

On December 1, 2017, the Company acquired substantially all of Court Solutions, LLC ("CS, LLC"). Total purchase consideration was \$2,200, exclusive of the estimated value of contingent consideration, which was funded from the issuance of long-term debt from the Senior Secured Credit Facility. The effect of the acquisition will be included in our Consolidated Statements of Operations beginning December 1, 2017. The purchase consideration of the acquired assets will be allocated based on fair values, but the allocation has not been finalized. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

Certain provisions in the purchase agreement provide for additional consideration of up to \$2,800 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through November 2019. The Company will determine the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period, the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings.

Purchase of Enterprise Merchant Solutions, Inc.

On January 31, 2018, the Company acquired substantially all of Enterprise Merchant Solutions, Inc. ("EMS, Inc."). Total purchase consideration was \$6,000, exclusive of the estimated value of contingent consideration, which was funded from the issuance of long-term debt from the Senior Secured Credit Facility. The effect of the acquisition will be included in our Consolidated Statements of Operations beginning February 1, 2018. The purchase consideration of the acquired assets will be allocated based on fair values, but the allocation has not been finalized. As such, the Company has not disclosed pro forma revenue and earnings, in accordance with ASC 805.

Certain provisions in the purchase agreement provide for additional consideration of up to \$9,000 in the aggregate, to be paid based upon the achievement of specified financial performance targets, as defined in the purchase agreement, through January 2020. The Company will determine the acquisition date fair value of the liability for the contingent consideration based on a discounted cash flow analysis. In each subsequent reporting period, the Company will reassess its current estimates of performance relative to the targets and adjust the contingent liability to its fair value through earnings.

Independent Auditor's Report

Members
Fairway Payments, Inc.
Alexandria, Virginia

We have audited the accompanying financial statements of Fairway Payments, Inc., which comprise the statements of operations, changes in members' deficit, and cash flows for the period from January 1, 2017 to July 31, 2017 and for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of Fairway Payments, Inc.'s operations and its cash flows for the period from January 1, 2017 to July 31, 2017 and for the year ended December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Sale of the Company

On August 1, 2017, i3 Verticals, LLC acquired all of the outstanding membership interests of Fairway Payments, LLC. Under the i3 Verticals, LLC ownership, Fairway Payments, LLC will continue to provide merchant processing solutions. Upon acquiring the membership interests, i3 Verticals, LLC assumed operational management of Fairway Payments, LLC.

/S/ BDO USA, LLP

McLean, Virginia
February 6, 2018

Fairway Payments, Inc.

STATEMENTS OF OPERATIONS

(In thousands)

	Seven months ended July 31,	Year ended December 31,
	2017	2016
Revenue	\$ 19,805	\$ 29,123
Operating expenses		
Interchange and network fees	11,663	16,583
Other costs of services	2,502	3,814
Selling general and administrative	1,815	3,143
Depreciation and amortization	86	138
Total operating expenses	16,066	23,678
Income from operations	3,739	5,445
Other expenses		
Interest expense, net	226	93
Other (income) expenses	1	—
Total other expenses	227	93
Income before income taxes	3,512	5,352
Provision for income taxes	—	—
Net income	\$ 3,512	\$ 5,352

See Notes to the Financial Statements

Fairway Payments, Inc.

STATEMENTS OF CHANGES IN MEMBERS' DEFICIT

(In thousands)

Balance at December 31, 2015	\$	(169)
Net income		5,352
Shareholder distribution		<u>(6,555)</u>
Balance at December 31, 2016		(1,372)
Net income		3,512
Shareholder distribution		<u>(4,620)</u>
Balance at July 31, 2017	\$	<u>(2,480)</u>

See Notes to the Financial Statements

Fairway Payments, Inc.

STATEMENTS OF CASH FLOWS

(In thousands)

	Seven months ended July 31,	Year ended December 31,
	2017	2016
Cash flows from operating activities:		
Net income	\$ 3,512	\$ 5,352
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	86	138
Amortization of deferred finance costs	31	—
Non-cash change in defined benefit obligation	(20)	69
Changes in operating assets:		
Accounts receivable	206	129
Prepaid expenses and other current assets	(1,322)	(597)
Changes in operating liabilities:		
Accounts payable	(2)	(571)
Accrued expenses and other current liabilities	43	(54)
Net cash provided by operating activities	<u>2,534</u>	<u>4,466</u>
Cash flows from investing activities:		
Purchases of merchant portfolios	(80)	(1,027)
Net cash used in investing activities	<u>(80)</u>	<u>(1,027)</u>
Cash flows from financing activities:		
Proceeds from revolving credit facility	3,516	4,659
Payments of revolving credit facility	(1,471)	(1,300)
Payment of auto loan	(15)	(25)
Payment of debt issuance	—	(54)
Shareholder distributions	(4,620)	(6,555)
Net cash used for financing activities	<u>(2,590)</u>	<u>(3,275)</u>
Net (decrease) increase in cash and cash equivalents	(136)	164
Cash and cash equivalents, beginning of period	169	5
Cash and cash equivalents, end of period	<u>\$ 33</u>	<u>\$ 169</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 219	\$ 93

See Notes to the Financial Statements

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Fairway Payments, Inc. (the "Company," "we," or "our") was founded in 2009 with a focus on providing integrated payment solutions to small- and medium-sized business and other organizations.

The Company is headquartered in Alexandria, Virginia, with operations throughout the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission.

All dollar amounts are presented in thousands.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities and timing of revenues and expenses at the date of the financial statements and the accompanying notes. Such estimates include, but are not limited to, assumptions used in the calculation of defined benefit plan obligations. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash on hand, checking accounts, and savings accounts to be cash and cash equivalents. At times, the balance in these accounts may exceed federal insured limits.

Accounts Receivable and Credit Policies

Accounts receivable consist primarily of uncollateralized credit card processing residual payments due from processing banks requiring payment within thirty days following the end of each month. The carrying amount of accounts receivable is reduced by an allowance for doubtful accounts, if necessary, which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of its customers, historical loss experience and existing economic conditions. Accounts receivable and the allowance are written-off when, in management's opinion, all collection efforts have been exhausted. Management has determined an allowance for doubtful accounts is not necessary as of July 31, 2017 and December 31, 2016.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. Management reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company recognizes impairment when the sum of undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value of the asset. There were no impairment charges during the seven months ended July 31, 2017 or the year ended December 31, 2016.

Acquisitions

Acquisitions are accounted for in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*.

NOTES TO FINANCIAL STATEMENTS

During the seven months ended July 31, 2017 and the year ended December 31, 2016, the Company purchased two portfolios of merchant relationships which did not meet the accounting criteria to be accounted for as business combinations and have been accounted for as asset acquisitions. An asset acquisition is recorded at its purchase price, inclusive of acquisition costs, which are allocated among the acquired assets and assumed liabilities based upon their relative fair values at the date of acquisition.

Intangible Assets

Intangible assets consist of acquired merchant relationships. Merchant relationships represent the fair value of customer relationships purchased by the Company and are amortized over the estimated benefit periods on a straight-line basis. Estimated useful lives are determined for merchant relationships based on the life of the expected cash flows from the merchant relationships.

Management evaluates the remaining useful lives and carrying values of long lived assets, including definite lived intangible assets, at least annually or when events and circumstances warrant such a review, to determine whether significant events or changes in circumstances indicate that a change in the useful life or impairment in value may have occurred. There were no impairment charges during the seven months ended July 31, 2017 or the year ended December 31, 2016.

Income Taxes

The Company, with consent of its shareholders, has elected under the Internal Revenue Code to be taxed as an S-Corporation. In lieu of corporation income taxes, the shareholders are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income or state income taxes has been included in the financial statements.

Revenue Recognition

Revenue is recognized when it is realized or realizable and earned, in accordance with ASC Topic 605, *Revenue Recognition* ("Topic 605"). Recognition occurs when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the seller's price to the buyer is fixed or determinable; and (4) collectability is reasonably assured.

Approximately 99% of our gross revenue for the seven months ended July 31, 2017 and the year ended December 31, 2016 is derived from volume based payment processing fees ("discount fees"). The remainder is derived from sales of equipment and other payment related services the Company provides to its clients directly and through its processing bank relationships.

Discount fees represent a percentage of the dollar amount of each credit or debit transaction processed. Discount and other fees are recognized at the time the merchants' transactions are processed. The Company follows the requirements of Topic 605-45, *Revenue Recognition—Principal Agent Consideration*, in determining its merchant processing services revenue reporting. Generally, where the Company has control over merchant pricing, merchant portability and ultimate responsibility for the merchant relationship, revenues are reported at the time of sale on a gross basis equal to the full amount of the discount charged to the merchant. This amount includes interchange fees paid to card issuing banks and assessments paid to payment card networks pursuant to which such parties receive payments based primarily on processing volume for particular groups of merchants.

Interchange and Network Fees and Other Cost of Services

Interchange and network fees consist primarily of fees that are directly related to discount fee revenue. These include assessment fees payable to card associations, which are a percentage of the processing volume we generate from Visa and Mastercard. Other costs of services include costs directly attributable to processing and bank sponsorship costs. These also include related costs such as residual payments to sales groups, which are based on a percentage of the net revenues generated from merchant referrals. The cost of equipment sold is also included in cost of services. Interchange and other costs of services are recognized at the time the merchant's transactions are processed.

NOTES TO FINANCIAL STATEMENTS

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred. Advertising expense was nominal for the seven months ended July 31, 2017 and the year ended December 31, 2016, and are included in selling, general and administrative expenses in the Statements of Operations.

Pensions

The Company accounts for its pension benefit obligations using actuarial models. A measurement of plan obligations and assets was made at July 31, 2017 and December 31, 2016. Effective July 31, 2017, the benefit plan was frozen to all participants. No accrual of future benefits is earned or calculated beyond this date. Accordingly, our obligation estimate is based on benefits earned at that time discounted using an estimate of the single equivalent discount rate determined by matching the plan's future expected cash flows to spot rates from a yield curve comprised of high quality corporate bond rates of various durations. The Company recognizes the funded status of its pension plan obligations on its Balance Sheet, and pension expense is recognized in selling general and administrative expenses.

Subsequent Events

The Company has evaluated events through February 6, 2018, the date the financial statements were available to be issued. The Company concluded that other than as disclosed in note 10, there were no material subsequent events to disclose.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (Topic 230). The update clarifies how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. The update requires retrospective application to all periods presented but may be applied prospectively if retrospective application is impracticable. The Company is currently evaluating the impact of the adoption of this principle on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU amends the existing guidance by recognizing all leases, including operating leases, with a term longer than twelve months on the balance sheet and disclosing key information about the lease arrangements. The update requires modified retrospective transition, which requires application of the ASU at the beginning of the earliest comparative period presented in the year of adoption. The Company is currently evaluating the impact of the adoption of this principle on the Company's financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* (Topic 606). The ASU supersedes the revenue recognition requirements in ASC 605. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard, as amended, allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company is currently evaluating the impact of the adoption of this principle on the Company's financial statements.

3. CREDIT RISK AND OTHER CONCENTRATIONS

The Company places its cash with high credit quality financial institutions which provide FDIC insurance. The Company performs periodic evaluations of the relative credit standing of these institutions and does not expect any losses related to such concentrations.

Fairway Payments, Inc.

NOTES TO FINANCIAL STATEMENTS

The Company's revenues are earned by processing transactions for merchant businesses and other institutions under contract with the Company. For the seven months ended July 31, 2017 and the year ended December 31, 2016, the Company utilized the funds settlement service of one bank, from which accounts receivable were remitted monthly.

One merchant accounted for 13.7% and 4.3% of our revenue during the seven months ended July 31, 2017 and the year ended December 31, 2016, respectively. The Company believes that the loss of any single merchant would not have a material adverse effect on our financial condition or results of operations.

4. MERCHANT PORTFOLIO PURCHASE

Effective March 1, 2016, the Company acquired a payment portfolio in an asset acquisition. The acquisition was completed to expand the Company's merchant base. Net purchase consideration was \$1,027, which was funded using borrowings from a note payable (see Note 6). The purchase consideration of the acquired assets was allocated based on fair values to the merchant relationships intangible asset. The acquired merchant relationships intangible asset has an estimated amortization period of ten years. Refer to Note 9 for further information.

Effective March 1, 2017, the Company acquired a payment portfolio in an asset acquisition. The acquisition was completed to expand the Company's merchant base. Net purchase consideration was \$80, which was funded with cash. The purchase consideration of the acquired assets was allocated based on fair values to the merchant relationships intangible asset. The acquired merchant relationships intangible asset has an estimated amortization period of five years.

Amortization expense for the seven months ended July 31, 2017 and the year ended December 31, 2016 amounted to \$60 and \$86, respectively.

5. PROPERTY AND EQUIPMENT, NET

A summary of the Company's property and equipment is as follows:

	Estimated Useful Life	July 31, 2017	December 31, 2016
Computer equipment and software	5 years	\$ 30	\$ 30
Furniture and fixtures	7 years	91	91
Automobiles	5 years	178	178
Accumulated depreciation		(172)	(146)
Property and equipment net		<u>\$ 127</u>	<u>\$ 153</u>

Depreciation expense for the seven months ended July 31, 2017 and the year ended December 31, 2016 amounted to \$26 and \$52, respectively.

NOTES TO FINANCIAL STATEMENTS

6. DEBT

A summary of long-term debt as of July 31, 2017 and December 31, 2016 is as follows:

	Maturity	July 31, 2017	December 31, 2016
\$6 Million Line of Credit	December 26, 2017	\$ 5,404	\$ 2,484
Notes payable for vehicle loan	October 31, 2020	86	100
\$1 Million Line of Credit	July 15, 2017	—	875
Debt issuance costs		(54)	(54)
Total debt, net of issuance costs		5,436	3,405
Less current portion of long-term debt		(5,350)	(3,305)
Long-term debt, net		\$ 86	\$ 100

\$6 Million Line of Credit

The Company had an available line of credit (“\$6 Million Line of Credit”) equal to \$6,000, which matured December 26, 2017. Interest on the \$6 Million Line of Credit was calculated at 5.35% annually. The Company was required to make monthly interest payments on any amounts advanced.

The provisions of the \$6 Million Line of Credit placed certain restrictions and limitations upon the Company. These included requirements to maintain certain financial ratios and net worth. The Company was in compliance with such covenants as of July 31, 2017 and December 31, 2016.

Vehicle Loan

In October 2015, the Company entered into a note payable to finance the purchase of an automobile. Interest on the note payable was calculated at 1.9% annually. The Company makes monthly payments on the principal and interest, and the note matures October 31, 2020.

\$1 Million Line of Credit

The Company had an available line of credit (“\$1 Million Line of Credit”) equal to \$1,000, which would have matured July 15, 2017. Interest on the \$1 Million Line of Credit was calculated at 3.75% annually. The Company was required to make monthly interest payments on any amounts advanced.

The provisions of the \$1 Million Line of Credit placed certain restrictions and limitations upon the Company. These included requirements to maintain certain financial ratios and net worth. The Company was in compliance with such covenants as of December 31, 2016. The Company extinguished the \$1 Million Line of Credit on February 21, 2017.

\$2 Million Line of Credit

The Company had an available line of credit (“\$2 Million Line of Credit”) equal to \$2,000, which would have matured April 15, 2019. Interest on the \$2 Million Line of Credit was calculated at 4.99% annually. The Company was required to make monthly interest payments on any amounts advanced. The Company extinguished the \$2 Million Line of Credit on December 28, 2016.

Debt Issuance Costs

During the year ended December 31, 2016 the Company incurred debt issuance costs totaling \$54 in connection with the issuance of long-term debt. The debt issuance costs are being amortized over the related term of the debt using the straight-line method.

NOTES TO FINANCIAL STATEMENTS

7. DEFINED BENEFIT PLAN AND 401(k) PLAN

Defined Benefit Plan

During the year ended December 31, 2014, the Company began a single-employer Defined Benefit Plan (the "Defined Benefit Plan") which covers certain qualified employees. Contributions to the Defined Benefit Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants and satisfy IRS funding requirements. The Company recognized expense related to the Defined Benefit Plan of \$235 and \$293 for the for the seven months ended July 31, 2017 and the year ended December 31, 2016, respectively.

The components of net period benefit cost and amounts recognized in the consolidated statements of operations and changes in net assets apart from expenses are as follows:

	Seven months ended July 31, 2017	Year ended December 31, 2016
Components of net periodic benefit cost:		
Service Cost	\$ 186	\$ 272
Interest cost	31	41
Return on plan assets	(40)	(17)
Actuarial loss (gain)	56	(4)
Taxes, fees and expenses	2	1
Total	<u>\$ 235</u>	<u>\$ 293</u>

The following table shows the funding status of the Defined Benefit Plan as of July 31, 2017 and December 31, 2016.

	Seven months ended July 31, 2017	Year ended December 31, 2016
Change in benefit obligation:		
Benefit obligation — beginning of period	\$ 841	\$ 532
Actuarial loss (gain)	56	(4)
Service cost	186	272
Interest cost	31	41
Benefit obligation — end of period	<u>1,114</u>	<u>841</u>
Change in plan assets:		
Fair value of plan assets — beginning of period	439	199
Employer contribution	255	224
Return on assets	40	17
Taxes, fees and expenses	(2)	(1)
Fair value of plan assets — end of period	<u>732</u>	<u>439</u>
Unfunded status	<u>\$ 382</u>	<u>\$ 402</u>

Fairway Payments, Inc.

NOTES TO FINANCIAL STATEMENTS

There were no participant contributions or benefits paid during the seven months ended July 31, 2017 and the year ended December 31, 2016.

The Defined Benefit Plan's estimated long-term rate of return on pension assets is driven primarily by historical asset-class returns, and an assessment of expected future performance. The Defined Benefit Plan portfolio return assumption is effectively 3.7% at July 31, 2017 and the year ended December 31, 2016. Other than use as discount rates, these rates were not used as assumptions for the Defined Benefit Plan's investment return.

The benefit obligation was calculated using the assumption of a lump sum distribution. The discount rate and mortality assumptions used to determine the Defined Benefit Plan obligations and expenses reflect IRS Sec. 417(e) Rates as of October 2017, except where overridden by Sec. 415. These rates are 2.1% for 5 years, 3.6% for periods from 5–20 years, and 4.3% for periods after 20 years.

The weighted average rate shown, 3.7%, does not reflect the impact of mandated 5.5% discount rates on maximum lump sum benefits, and thus the overall effective discount rate is somewhat higher than 3.7%.

The actuarial loss for the period July 31, 2017 can be attributed to the lessening impact of the Sec. 415 override on one participant's lump sum, as the maximum lump sum is impacted by changes in his age and the Statutory 415 maximum.

The following information represents the Defined Benefit Plan's assets measured at fair value Plan as of July 31, 2017 and December 31, 2016.

	July 31, 2017	December 31, 2016
Money markets	\$ 10	\$ 9
Equities	496	295
Fixed income	189	115
Other	37	20
Total	<u>\$ 732</u>	<u>\$ 439</u>

All assets are measured at fair value based on quoted prices in active markets (Level 1 assets). The Defined Benefit Plan has been frozen for all employees as of July 31, 2017 and the Company expects all obligations to be distributed as lump sums within the next twelve months.

401(k) Plan

The Company also sponsors a 401(k) Plan (the "401(k) Plan") that covers eligible employees. The 401(k) Plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company is required to make safe harbor matching contributions of up to 4% of total compensation, subject to limitations, for employees making salary deferrals. The Company's contributions for the 401(k) Plan were \$38 and \$58 for the seven months ended July 31, 2017 and the year ended December 31, 2016, respectively.

In addition to the two plans described above, the Company has accrued an additional enhanced profit sharing contribution to the 401(k) Plan, for the benefit of the employees, in the amount of \$24 and \$70 for the seven months ended July 31, 2017 and the year ended December 31, 2016, respectively.

NOTES TO FINANCIAL STATEMENTS

8. LEASES

The Company utilizes office space and equipment under operating leases. Rent expense under these leases amounted to \$77 and \$125 in the seven months ended July 31, 2017 and the year ended December 31, 2016, respectively. The lease term expires March 31, 2018 with an option to renew for an additional five years. Under the agreement, base rent is subject to annual escalations of 2.5%.

9. RELATED PARTY TRANSACTIONS

The Company has loaned the majority shareholder \$1,700 and \$600 as of July 31, 2017 and December 31, 2016, respectively. The loan has no repayment schedule and bears interest at applicable federal rates (1.22% as of July 31, 2017, and 0.74% as of December 31, 2016) and is unsecured. The loan occurred on the last business day of 2016, and no repayments on the loan were made. Further, no interest was calculated as of the year ended December 31, 2016 as the amount was determined to be immaterial to the financial statements.

In March 2016, the Company purchased a merchant portfolio from ClearGage, Inc., a related entity at that time partially owned by the majority shareholder of the Company. The purchase was funded using borrowings from a note payable. See additional disclosure in Note 4.

In August 2016 the majority shareholder of the Company gifted his interest in ClearGage, Inc. to an irrevocable life insurance trust over which he has no control.

The Company paid compensation to various related parties. These parties included the Company's majority shareholder, his relatives who are also employees, and the Company's CFO who is also employed by ClearGage, Inc. Compensation to related parties for the seven months ended July 31, 2017 and the year ended December 31, 2016 amounted to \$299 and \$728, respectively. In addition, during the seven months ended July 31, 2017, the Company paid ClearGage, Inc. \$18 for services rendered by the Company's CFO. The CFO was not paid a salary by the Company during the seven months ended July 31, 2017.

In December 2010 the Company entered into a referral agreement with ClearGage, Inc. Under the referral agreement we agreed to process payment card transactions for certain merchants as designated by ClearGage, Inc. The Company is not compensated under the referral agreement with ClearGage, Inc. All cash received from the third-party processing bank passes through to ClearGage, Inc.

10. SUBSEQUENT EVENTS

On July 31, 2017, the Company converted its status to a Virginia limited liability company and adopted the name Fairway Payments, LLC. Upon conversion the Company is deemed to be the same entity without interruption and the assets of the Company remained with the Company without impairment.

On August 1, 2017, i3 Verticals, LLC acquired all of the outstanding membership interests of Fairway Payments, LLC. Under the i3 Verticals, LLC ownership, Fairway Payments, LLC will continue to provide merchant processing solutions. Upon acquiring the membership interests, i3 Verticals, LLC assumed operational management of Fairway Payments, LLC. As part of the membership interest purchase agreement all liability related to the Defined Benefit Plan was assigned to the previous owner. In addition, the open \$6 Million Line of Credit and the loan to the majority shareholder were settled as part of the closing.

Independent Auditor's Report

Stockholder
San Diego Cash Register Company, Inc.
San Diego, California

We have audited the accompanying financial statements of San Diego Cash Register Company, Inc., which comprise the balance sheet as of October 31, 2017, and the related statements of operations, changes in stockholder's deficit, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Diego Cash Register Company, Inc. as of October 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Sale of the Company

On October 31, 2017, i3 Verticals, LLC acquired all of the outstanding capital stock of the Company. Under the i3 Verticals, LLC ownership, the Company expects to continue to provide sales and service of POS hardware and software. Upon acquiring the capital stock of the Company, i3 Verticals, LLC assumed operational management of the Company.

/s/ BDO USA, LLP

San Diego, California
February 5, 2018

San Diego Cash Register Company, Inc.

BALANCE SHEET

(In thousands except shares)

	October 31, 2017
Assets	
Current assets	
Cash and cash equivalents	\$ 1,338
Short-term investments	1,007
Accounts receivable, net	1,008
Due from related parties	773
Inventory	1,318
Prepaid expenses and other current assets	169
Total current assets	<u>5,613</u>
Property and equipment, net	69
Deferred tax asset	1,115
Total assets	<u>\$ 6,797</u>
Liabilities and stockholder's deficit	
Liabilities	
Current liabilities	
Accounts payable	\$ 1,342
Deferred revenue	2,528
Customer deposits	1,434
Accrued expenses and other current liabilities	1,689
Total current liabilities	<u>6,993</u>
Deferred revenue, less current portion	258
Total liabilities	<u>7,251</u>
Commitments and contingencies (see Note 11)	
Stockholder's deficit	
Common stock, no par value; 100,000 shares authorized; 37,883 shares issued and outstanding	86
Accumulated deficit	(540)
Total stockholder's deficit	<u>(454)</u>
Total liabilities and stockholder's deficit	<u>\$ 6,797</u>

See Notes to the Financial Statements

San Diego Cash Register Company, Inc.

STATEMENT OF OPERATIONS

(In thousands)

	Year ended October 31, 2017
Revenue	
Hardware and software revenue	\$ 8,079
Service revenue	8,095
Other revenue	2,338
Total revenue	18,512
Operating expenses	
Cost of revenue (exclusive of depreciation and amortization shown separately below)	
Cost of hardware and software revenue	5,570
Cost of service revenue	4,052
Total cost of revenue	9,622
Selling, general and administrative	9,079
Depreciation and amortization	63
Total operating expenses	18,764
Loss from operations	(252)
Other income, net	(29)
Loss before income taxes	(223)
Provision for income taxes	(94)
Net loss	\$ (129)

See Notes to the Financial Statements

San Diego Cash Register Company, Inc.

STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT

(In thousands except shares)

	Common Stock		Accumulated deficit	Total stockholder's deficit
	Shares	Amount		
Balance at October 31, 2016	37,883	\$ 86	\$ (411)	\$ (325)
Net loss	—	—	(129)	(129)
Balance at October 31, 2017	37,883	\$ 86	\$ (540)	\$ (454)

See Notes to the Financial Statements

San Diego Cash Register Company, Inc.

STATEMENT OF CASH FLOWS

(In thousands)

	Year ended October 31, 2017
Cash flows from operating activities:	
Net loss	\$ (129)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	63
Provision for doubtful accounts	9
Provision for deferred income taxes	(131)
Changes in operating assets:	
Accounts receivable	(380)
Prepaid expenses and other current assets	(86)
Inventory	(408)
Due from related parties	(773)
Changes in operating liabilities:	
Accounts payable	655
Accrued expenses and other current liabilities	218
Deferred revenue	217
Customer deposits	43
Net cash used in operating activities	(702)
Cash flows from investing activities:	
Expenditures for property and equipment	(36)
Cash invested in certificate of deposit	(1,000)
Proceeds from maturity of certificate of deposit	1,000
Net cash used in investing activities	(36)
Net decrease in cash and cash equivalents	(738)
Cash and cash equivalents, beginning of year	2,076
Cash and cash equivalents, end of year	\$ 1,338
Supplemental disclosure of cash flow information:	
Cash paid for interest	\$ —
Cash paid for income taxes	\$ 6

See Notes to the Financial Statements

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

San Diego Cash Register Company, Inc., a California corporation (the "Company") was founded in 1984 with a focus on the sales and service of point of sale ("POS") hardware and software to customers. The Company predominantly resells NCR Corporation's ("NCR") POS hardware and software. The Company's headquarters are in San Diego, California, with operations throughout Southern California.

On October 31, 2017, i3 Verticals, LLC acquired all of the outstanding capital stock of the Company. Under the i3 Verticals, LLC ownership, the Company expects to continue to provide sales and service of POS hardware and software. Upon acquiring the capital stock of the Company, i3 Verticals, LLC assumed operational management of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's fiscal year is the year ended October 31, 2017.

All dollar amounts are presented in thousands.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities and timing of revenues and expenses at the date of the financial statements and the accompanying notes. Such estimates include, but are not limited to, revenue recognition for multiple element arrangements, assumptions used in the calculation of income taxes, and realization of deferred tax assets. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company considers cash on hand, checking accounts, and savings accounts to be cash and cash equivalents. Cash equivalents are defined as financial instruments readily transferrable into cash with an original maturity of 90 days or less.

Short-Term Investments

The Company has certificates of deposit with original maturities greater than three months and remaining maturities less than one year classified as short-term investments within the accompanying balance sheet.

Accounts Receivable, Net

Accounts receivable consist primarily of amounts due from the services and product sales of the Company's technology solutions to its customers. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of its customers, historical loss experience and existing economic conditions. Estimates for allowances for doubtful accounts are determined based on existing contractual obligations, historical payment patterns and individual customer circumstances. Bad debt expense is included in selling, general and administrative expenses. The Company's allowance for doubtful accounts was \$16 as of October 31, 2017, however, actual write-offs may exceed estimated amounts. Bad debt expense was \$9 during the year ended October 31, 2017.

Inventory

Inventory consists of point-of-sale equipment to be sold to customers and is stated at the lower of cost, determined on a weighted average basis or at actual cost, or net realizable value. Cost includes material, direct labor and production costs.

NOTES TO FINANCIAL STATEMENTS

The Company periodically reviews its inventory for evidence of slow-moving or obsolete parts and determined that no allowance for inventory was necessary at October 31, 2017.

Property and Equipment

Property and equipment are stated at cost less depreciation calculated over the assets' estimated useful lives using the straight-line method. Leasehold improvements are depreciated over the shorter of the estimated useful lives of the assets or the remaining lease term.

Expenditures for maintenance and repairs are expensed when incurred. Management reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company recognizes impairment when the sum of undiscounted estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than the carrying value of the asset. There were no impairment charges during the year ended October 31, 2017.

Income Taxes

The Company records income taxes under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, which utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory tax rates to future year's difference between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Under ASC Topic 740, the effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Tax credits are recognized in the year they become available for tax purposes as a reduction in income taxes.

The amount provided for income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws.

Under GAAP, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Revenue Recognition and Deferred Revenue

We generate revenue primarily from the sale and service of point of sale solutions, and related services. This includes hardware as well as software that is more than incidental to the underlying customer arrangement. We offer professional services such as initial training, installation, call center and field service contracts and repair services. Finally, the Company earns revenue from volume based payment processing fees.

Revenue is recognized when it is realized or realizable and earned, in accordance with ASC 605, Revenue Recognition ("ASC 605"). Recognition occurs when all of the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the seller's price to the buyer is fixed or determinable; and (4) collectability is reasonably assured.

The Company typically uses signed contractual agreements as persuasive evidence of a sales arrangement. We apply the provisions of the relevant FASB accounting pronouncements when making estimates or assumptions related to transactions involving the sale of software where the software deliverables are considered more than inconsequential to the other elements in the arrangement. For contracts that contain multiple deliverables, we analyze the revenue arrangements when making estimates or assumptions in accordance with the appropriate authoritative guidance, which provides criteria governing how to determine whether goods or services that are delivered separately in a bundled sales arrangement should be considered as separate units of

NOTES TO FINANCIAL STATEMENTS

accounting for the purpose of revenue recognition. Deliverables are accounted for separately if they meet all of the following criteria: (a) the delivered item has value to the customer on a stand-alone basis; (b) there is objective and reliable evidence of the fair value of the undelivered items; and (c) if the arrangement includes a general right of return relative to the delivered items, the delivery or performance of the undelivered items is probable and substantially controlled by the Company.

If these criteria are not met, the arrangement is accounted for as a single unit of accounting, which would result in revenue being recognized ratably over the contract term or being deferred until the earlier of when such criteria are met or when the last undelivered element is delivered. If these criteria are met for each element, consideration is allocated to the deliverables based on its relative selling price. The hierarchy used to determine the selling price of a deliverable is: (1) vendor specific objective evidence ("VSOE"), (2) third-party evidence of selling price ("TPE"), and (3) best estimate of the selling price ("ESP"). In instances where the Company cannot establish VSOE, the Company establishes TPE by evaluating largely similar and interchangeable competitor products or services in stand-alone sales to similarly situated customers.

Revenues from sales of the Company's combined hardware and software element are recognized when they are realized or realizable and earned which has been determined to be upon the delivery of our product. All revenues on service contracts are recognized ratably over the contract term. The Company's training, installation, and repair services are billed and recognized as revenue as these services are performed.

Deferred revenue represents amounts billed to customers by the Company for services contracts. The initial prepaid contract agreement balance is deferred. The balance is then recognized as the services are provided over the contract term. Deferred revenue that is expected to be recognized as revenue within one year is recorded as short-term deferred revenue and the remaining portion is recorded as long-term deferred revenue.

Cost of Revenue

Cost of revenue includes costs directly attributable to our product sales and services. These costs primarily include product costs, salaries and wages, benefits, and other overhead costs.

Vendor allowances consist of volume rebates that are earned as a result of attaining certain purchase levels. Vendor rebates are accrued as earned, with those allowances received as a result of attaining certain purchase levels accrued over the incentive period based on estimates of purchases. Volume rebates earned by the Company are recorded as a reduction in cost of revenue and totaled \$263 for the year ended October 31, 2017.

Shipping and Handling Costs

The Company records shipping and handling fees and costs per ASC 605-45-45-19 through 21. Amounts billed to a customer in a sale transaction related to shipping and handling, if any, are recorded as revenue. Additionally, the Company has adopted the policy that all shipping costs for product delivery to customers are recorded within cost of revenue within the accompanying statement of operations.

Advertising and Promotion Costs, Net

Advertising costs are expensed as incurred. The Company maintains a co-operative advertising and shared expense agreement with its largest vendor, NCR. Under the agreement the Company is reimbursed for shared expenses incurred while soliciting NCR products. Net advertising costs for the year ended October 31, 2017 were a credit of \$77. For the year ended October 31, 2017, the amount reimbursed to the Company was \$88 and included as an offset to advertising expense.

Fair Value Measurement

The Company follows FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, for its financial assets and liabilities. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. As of October 31, 2017, the Company's financial instruments consist of cash and cash equivalents, certificate of deposit, accounts receivable, and accounts payable. The fair values of cash and cash

NOTES TO FINANCIAL STATEMENTS

equivalents, certificate of deposit, accounts receivable, and accounts payable approximate their respective carrying values because of the short maturity of those instruments.

Subsequent Events

The Company has evaluated events through February 5, 2018, the date the consolidated financial statements were available to be issued. The Company concluded that there were no material subsequent events to disclose.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (Topic 230). The update clarifies how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. The update requires retrospective application to all periods presented but may be applied prospectively if retrospective application is impracticable. The Company is currently evaluating the impact of the adoption of this principle on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU amends the existing guidance by recognizing all leases, including operating leases, with a term longer than twelve months on the balance sheet and disclosing key information about the lease arrangements. The update requires modified retrospective transition, which requires application of the ASU at the beginning of the earliest comparative period presented in the year of adoption. The Company is currently evaluating the impact of the adoption of this principle on the Company's financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* (Topic 606). The ASU supersedes the revenue recognition requirements in ASC 605. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard, as amended, allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. The Company is currently evaluating the impact of the adoption of this principle on the Company's financial statements.

3. CREDIT RISK AND OTHER CONCENTRATIONS

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents, certificate of deposit, accounts receivable, and accounts payable. The Company places its cash with high credit quality financial institutions which provide FDIC insurance, but at times the balances may exceed the federally insured limits. The Company performs periodic evaluations of the relative credit standing of these institutions and does not expect any losses related to such concentrations.

As of October 31, 2017, no single customer accounted for more than 5% of accounts receivable. For the year ended October 31, 2017, no single customer accounted for more than 2% of our revenue.

The Company has a concentration risk with its majority inventory supplier, NCR, given that the individual supplier accounted for approximately 85% of purchases. The Company currently purchases point-of-sale hardware and software from NCR. The Company has been purchasing and reselling NCR products to its customers for 18 years. The loss of this supplier relationships could adversely impact the Company's operating results.

SAN DIEGO CASH REGISTER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

4. INVENTORY

A summary of the Company's inventory is as follows:

	October 31, 2017
Raw materials	\$ 866
Work in process	452
Total inventory	\$ 1,318

5. PROPERTY AND EQUIPMENT, NET

A summary of the Company's property and equipment is as follows:

	Estimated Useful Life	October 31, 2017
Computer equipment and software	3 years	\$ 294
Automobiles	3 years	348
Furniture and fixtures	7 years	34
Office equipment	5 years	12
Leasehold improvements	Remaining lease term	50
Accumulated depreciation		(669)
Property and equipment, net		\$ 69

Depreciation and amortization expense for the year ended October 31, 2017 amounted to \$63.

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

A summary of the Company's accrued expenses and other accrued liabilities is as follows:

	October 31, 2017
Accrued bonus	\$ 911
Accrued vacation	222
Accrued payroll	222
Other	334
Total accrued expenses and other current liabilities	\$ 1,689

7. REVOLVING LINE OF CREDIT

The Company had a revolving line of credit with a commercial bank allowing advances at the bank's discretion up to \$500,000. The line was collateralized by virtually all of the assets of the Company. The line carried an interest rate of 5.25% and was closed on April 7, 2017.

8. INCOME TAXES

The Company files U.S. Federal and various state income tax returns. The returns are generally open to audit under the statutes of limitations for three years by federal taxing authorities and four years by state taxing authorities following the later of the initial due date of the return or the date filed.

SAN DIEGO CASH REGISTER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

As of October 31, 2017, the Company has no accrued interest and/or penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

	For the year ended October 31, 2017
Current tax expense	
Federal	\$ 26
State	11
Total current	37
Deferred tax benefit	
Federal	(118)
State	(13)
Total deferred	(131)
Net income tax benefit	\$ (94)

A reconciliation of U.S. income tax computed at the statutory rate and to the effective tax rate for the year ended October 31, 2017, is as follows:

Income tax benefit at the statutory rate:	(34.0)%
Increase (decrease) in taxes resulting from the following:	
State income taxes net of federal tax benefit	(2.9)%
Tax credits	2.0 %
Effect of graduated federal rate	(7.3)%
Total	(42.2)%

The deferred tax asset was comprised of the following as of October 31, 2017:

	October 31, 2017
Deferred tax assets	
Deferred revenue	\$ 1,006
Accrued liabilities	88
Other	21
Total deferred tax assets	\$ 1,115

The deferred tax asset of \$1,115 has been classified on the accompanying balance sheet as a non-current asset as of October 31, 2017.

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets, including the amount and timing of future taxable income, and has determined it is more likely than not

SAN DIEGO CASH REGISTER COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

that the assets will be realized. As a result, management has concluded that a valuation allowance against its deferred tax assets is not necessary at this time.

9. STOCKHOLDER'S EQUITY

As of October 31, 2017, the Company has 100,000 shares of no-par value common stock authorized, with 37,883 shares issued and outstanding. All common stock has equal voting rights.

10. EMPLOYEE BENEFIT PLAN

The Company established a retirement plan in accordance with section 401(k) of the Internal Revenue Code. Under the terms of this plan, eligible employees may make voluntary contributions to the extent allowable by law. There is no company matching of employee contributions and participation in the plan is voluntary.

11. COMMITMENTS AND CONTINGENCIES

The Company recognizes liabilities for contingencies when it has an exposure that indicates it is probable that an asset has been impaired or that a liability has been incurred and the amount of impairment or loss can be reasonably estimated.

Operating Leases

The Company utilizes two office spaces under operating lease agreements expiring in December 2023 and January 2020, respectively. Rent expense under these leases amounted to \$299 for the year ended October 31, 2017. The difference between the minimum lease payments and the straight-line amount of total rent expense is recorded as deferred rent on the accompanying balance sheet and is included in accrued expenses and other current liabilities.

A summary of approximate future minimum payments under these leases as of October 31, 2017 is as follows:

Years ending October 31:	
2018	\$ 295
2019	300
2020	227
2021	205
2022	208
Thereafter	264
Total minimum payments	<u>\$ 1,499</u>

Litigation

The Company is from time to time involved in ordinary routine litigation incidental to the conduct of its business. The Company regularly reviews all pending litigation matters in which it is involved and establishes reserves deemed appropriate for such litigation matters when necessary. Management believes that no presently pending litigation matters are likely to have a material adverse effect on the Company's financial statements or results of operations.

12. RELATED PARTY TRANSACTIONS

As of October 31, 2017, the Company had amounts due of \$773 from two relatives of the Company's former stockholder. These amounts were repaid in full in November 2017.



Shares

Class A Common Stock

Prospectus

, 2018

Cowen

Raymond James

KeyBanc Capital Markets

Through and including _____, 2018 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, paid or payable by us in connection with the sale of the common stock being registered. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the listing fee for the Nasdaq Global Select Market.

	Amount Paid or to be Paid
SEC registration fee	\$ 10,683
FINRA filing fee	17,750
Nasdaq listing fee	25,000
Blue sky qualification fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	<u>\$ *</u>

*To be provided by amendment

Item 14. Indemnification of Directors and Officers

Section 102 of the Delaware General Corporation Law (the "DGCL") permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation will provide that none of our directors shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, ending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Upon completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will provide indemnification for our directors and officers to the fullest extent permitted by the DGCL. We will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

Prior to the completion of this offering, we intend to enter into separate indemnification agreements with each of our directors and executive officers. Each indemnification agreement will provide, among other things, for indemnification to the fullest extent permitted by law and our amended and restated certificate of incorporation and amended and restated bylaws against any and all expenses, judgments, fines, penalties and amounts paid in settlement of any claim. The indemnification agreements will provide for the advancement or payment of all expenses to the indemnitee and for the reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our amended and restated certificate of incorporation and amended and restated bylaws.

We believe that the amended and restated certificate of incorporation and amended and restated bylaw provisions and indemnification agreements we will adopt will be necessary to attract and retain qualified persons as directors and officers. At present, there is no litigation or proceeding involving one of our directors or officers as to which indemnification is being sought, nor are we aware of any threatened litigation that may result in claims for indemnification by any officer or director.

We maintain standard policies of insurance that provide coverage (i) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and (ii) with respect to indemnification payments that we may make to such directors and officers.

In any underwriting agreement we enter into in connection with the sale of Class A common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended (the "Securities Act") against certain liabilities.

Item 15. *Recent Sales of Unregistered Securities*

On January 17, 2018, we issued 100 shares of common stock, par value \$0.0001 per share, which will be redeemed upon the consummation of this offering, to one of our officers in exchange for \$0.01. The issuance was

exempt from registration under Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving any public offering.

In connection with the recapitalization transactions described in the accompanying prospectus, i3 Verticals, Inc. will issue (i) _____ shares of Class A common stock to the Former Equity Owners, as the case may be, in exchange for their ownership interests in common units of i3 Verticals, LLC and (ii) _____ shares of Class B common stock to the Continuing Equity Owners, including certain funds affiliated with First Avenue Partners II, L.P., Capital Alignment Partners, HMP III Equity Holdings, LLC, certain current executive officers, employees and directors and their affiliates. The shares of Class A common stock and the shares of Class B common stock described above will be issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transaction will not involve a public offering. No underwriters will be involved in the transaction.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

The following documents are filed as exhibits to this registration statement.

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
2.1#	Stock Purchase Agreement, dated as of October 31, 2017, by and among i3-SDCR, Inc., Ality R. Richardson, individually and as Successor Trustee under that Declaration of Trust dated May 27, 1999, and Ashley J. Richardson
2.2#	Membership Interest Purchase and Contribution Agreement, dated as of August 1, 2017, by and among i3 Verticals, LLC, FPI Holdings, Inc. and Craig Shapero
3.1	Form of Amended and Restated Certificate of Incorporation of i3 Verticals, Inc., to be in effect upon the consummation of this offering
3.2	Form of Amended and Restated Bylaws of i3 Verticals, Inc., to be in effect upon the consummation of this offering
4.1	Specimen Stock Certificate evidencing the shares of Class A common stock
5.1*	Opinion of Bass, Berry & Sims PLC
10.1*	Form of Limited Liability Company Agreement of i3 Verticals, LLC, to be effective upon the consummation of this offering
10.2	Form of Tax Receivable Agreement, to be effective upon the consummation of this offering
10.3	Form of Registration Rights Agreement, to be effective upon the consummation of this offering
10.4	Credit Agreement, dated as of October 30, 2017, among i3 Verticals, LLC, as borrower, the Guarantors thereto, the Lenders thereto and Bank of America, N.A., as administrative agent, swingline lender, an L/C issuer
10.5	Security and Pledge Agreement, dated as of October 30, 2017, among i3 Verticals, LLC, as borrower, the Obligors thereto, and Bank of America, N.A., as administrative agent for the Senior Lenders
10.6	First Amended and Restated Loan Agreement, dated January 9, 2015, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders
10.7#	First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated April 23, 2015, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders
10.8#	Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated June 25, 2015, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders
10.9#	Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated August 11, 2015, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders
10.10#	Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated January 11, 2016, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders
10.11#	Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated April 29, 2016, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders
10.12#	Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated May 12, 2016, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders

- 10.13# [Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated June 30, 2016, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.14# [Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated December 21, 2016, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.15# [Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated March 31, 2017, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.16# [Tenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated August 1, 2017, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.17# [Eleventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated October 30, 2017, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.18# [Twelfth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated November 30, 2017, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.19# [Thirteenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated December 18, 2017, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.20# [Fourteenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents, dated February 14, 2018, by and among i3 Verticals, LLC, the other Borrowers thereto, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P. and Harbert Mezzanine Partners III, L.P., as lenders, and Claritas Capital Specialty Debt Fund, L.P., as collateral agent for the lenders](#)
- 10.21+ [i3 Verticals, LLC Amended & Restated Equity Incentive Plan, dated November 29, 2016](#)
- 10.22+ [First Amendment to i3 Verticals, LLC Amended & Restated Equity Incentive Plan, dated October 31, 2017](#)
- 10.23+ [Second Amendment to i3 Verticals, LLC Amended & Restated Equity Incentive Plan, dated May 7, 2018](#)
- 10.24+ [Form of 2018 Equity Incentive Plan](#)
- 10.25+ [Form of Restricted Stock Award Agreement under 2018 Equity Incentive Plan](#)
- 10.26+ [Form of Stock Option Award Agreement under 2018 Equity Incentive Plan](#)
- 10.27+ [Employment Agreement, effective as of May 5, 2014, by and between Charge Payment, LLC and Clay M. Whitson](#)
- 10.28+ [Change in Control Agreement, dated as of May 10, 2017, by and between i3 Verticals, LLC and Paul Maple](#)
- 10.29+ [Form of Indemnification Agreement](#)
- 21.1 [List of subsidiaries of i3 Verticals, Inc.](#)
- 23.1 [Consent of BDO USA, LLP as to i3 Verticals, LLC](#)
- 23.2 [Consent of BDO USA, LLP as to Fairway Payments, Inc.](#)
- 23.3 [Consent of BDO USA, LLP as to San Diego Cash Register Company, Inc.](#)

23.4* Consent of Bass, Berry & Sims PLC (included in Exhibit 5.1)

24.1 [Power of Attorney \(included on signature page\)](#)

* To be filed by amendment.

Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. i3 Verticals, Inc. hereby undertakes to furnish supplementally copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.

+ Denotes a management contract or compensatory plan or arrangement.

(b) Financial Statement Schedules

All schedules have been omitted because the information required to be set forth in the schedules is either not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. If a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, i3 Verticals, Inc. has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 25th day of May, 2018.

i3 VERTICALS, INC.

By: /s/ Gregory Daily
Gregory Daily
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Gregory Daily and Clay Whitson and each of them, his or her true and lawful attorneys-in-fact and agents with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by the registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, his, hers or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
<u>/s/ Gregory Daily</u> Gregory Daily	Chief Executive Officer and Director (principal executive officer)	May 25, 2018
<u>/s/ Clay Whitson</u> Clay Whitson	Chief Financial Officer and Director (principal financial officer)	May 25, 2018
<u>/s/ Scott Meriwether</u> Scott Meriwether	Senior Vice President — Finance (principal accounting officer)	May 25, 2018
<u>/s/ Elizabeth Seigenthaler Courtney</u> Elizabeth Seigenthaler Courtney	Director	May 25, 2018
<u>/s/ John Harrison</u> John Harrison	Director	May 25, 2018
<u>/s/ Burton Harvey</u> Burton Harvey	Director	May 25, 2018
<u>/s/ Timothy McKenna</u> Timothy McKenna	Director	May 25, 2018
<u>/s/ David Morgan</u> David Morgan	Director	May 25, 2018
<u>/s/ David Wilds</u> David Wilds	Director	May 25, 2018

STOCK PURCHASE AGREEMENT

BY AND BETWEEN

i3-SDCR, INC.

AS BUYER

AND

ALITY R. RICHARDSON

(INDIVIDUALLY AND AS SUCCESSOR TRUSTEE UNDER THAT DECLARATION OF TRUST DATED MAY 27, 1999) AND ASHLEY J. RICHARDSON

AS SELLER PARTIES

CLOSING DATE: October 31, 2017

EFFECTIVE TIME: 11:59 p.m. Nashville, Tennessee time on October 31, 2017

ARTICLE I DEFINITIONS	1
ARTICLE II PURCHASE, SALE AND CONTRIBUTION	10
2.1 Purchase and Sale of Shares	10
2.2 Purchase Price	10
2.3 Cash True-Up and Settlement Statement	10
2.4 The Closing	12
2.5 Actions of Seller at Closing	12
2.6 Actions of Buyer at Closing	13
ARTICLE III CONTINGENT CONSIDERATION	13
3.1 Contingent Consideration	13
3.2 Arbitration	14
3.3 Nature of Contingent Consideration	15
3.4 Result of Breach	15
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER PARTIES	15
4.1 Authorization; Binding Effect	15
4.2 Non-contravention	16
4.3 Necessary Consents	16
4.4 Title to Shares	16
4.5 Capital Structure	17
ARTICLE V REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY	17
5.1 Status	17
5.2 Authorization; Binding Effect	17
5.3 Required Consents	18
5.4 No Conflict	18
5.5 Financial Statements; Seller Receivables	19
5.6 Undisclosed Liabilities	19
5.7 Absence of Certain Changes	19
5.8 Brokers or Finders	19
5.9 Real Property and Personal Property	19
5.10 Contracts	21
5.11 Intellectual Property	21
5.12 Title to and Sufficiency of Assets	21
5.13 Compliance; Approvals	22
5.14 Legal Proceedings; Orders	22
5.15 Employee Benefit Plans	24
5.16 Employee Relations	25
5.17 Taxes	26
5.18 Environmental Matters	26
5.19 Affiliate Transactions	26
5.20 Insurance	26
5.21 Reseller Arrangements	26

5.22	Inventory	27
5.23	Privacy	27
5.24	Referral Sources	28
5.25	Data Security	28
5.26	Debt Collection	29
5.27	Solvency	29
5.28	Disclosure	29
ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER		29
6.1	Corporate Status	29
6.2	Corporate Authorization; Binding Effect	30
6.3	No Conflict	30
6.3	Brokers and Finders	30
ARTICLE VII COVENANTS OF SELLER PARTIES		30
7.1	Notices and Consents	30
7.2	Tax Matters	31
7.3	Noncompetition; Nonsolicitation	32
7.4	Post-Closing Financial Audit Cooperation	33
7.5	Seller Parties' Acknowledgement Regarding Calculation of Purchase Price	34
7.6	Tail Insurance	34
ARTICLE VIII COVENANTS OF BUYER AND BOTH PARTIES		34
8.1	Confidentiality	34
8.2	Post-Closing Access to Information	34
8.3	Further Assurances and Cooperation, Misdirected Payments	35
ARTICLE IX INDEMNIFICATION		35
9.1	Survival	35
9.2	Indemnification by Seller Parties	36
9.3	Indemnification by Buyer	37
9.4	Limitations	37
9.5	Indemnification Procedures	37
9.6	Disregarding Materiality Exceptions	38
ARTICLE X NOTICES		38
ARTICLE XI MISCELLANEOUS		39
11.1	Fees and Expenses	39
11.2	Public Announcement	39
11.3	Entire Agreement	40
11.4	Right of Setoff	40
11.5	Amendment and Waiver	40
11.6	Counterparts; Electronic Signatures	40
11.7	Governing Law; Construction	40
11.8	Venue; Waiver of Jury Trial	41

11.9	Binding Effect; No Assignment; No Third-Party Beneficiaries	40
11.10	Severability; Invalid Provisions	40
11.11	Interpretation	42
11.12	Specific Performance; Injunctive Relief	42
11.13	Collateral Security	42
11.14	Appointment of Seller Parties' Representative	42
11.15	Acknowledgement of Seller Parties Review of this Agreement	43

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is dated as of October 31, 2017, and is effective as of October 31, 2017 at 11:59 p.m. Nashville, Tennessee time (the "Effective Time") by and between i3-SDCR, Inc., a Delaware corporation ("Buyer"), and Ality R. Richardson individually, a resident of the State of California, and as Successor Trustee under that Declaration of Trust dated May 27, 1999 ("Seller" and together with Ality R. Richardson and Ashley J. Richardson, "Seller Parties"). Together, Seller Parties and Buyer shall be referred to as the "Parties".

RECITALS:

WHEREAS, as of the date hereof, Seller owns all of the issued and outstanding capital stock (the "Shares") of San Diego Cash Register Company, Inc., a California corporation (the "Company"); and

WHEREAS, the Company is engaged in the business of marketing, distributing, selling and licensing point-of-sale terminals, software and other electronic payment processing services and products, including the licensing of certain software and equipment developed and owned by NCR (the activities described in this paragraph as performed by the Company are collectively, the "Company's Business"); and

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of the Shares on the terms and subject to the conditions of this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of setting forth their mutual understandings and agreements with respect to the foregoing.

NOW, THEREFORE, intending to be legally bound and in consideration of the foregoing premises, the representations and warranties, mutual covenants and other agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth in this Article I unless the context clearly otherwise requires.

"Agreement" means this Stock Purchase Agreement, including the Exhibits and Schedules attached hereto.

"Arbitrator" means a party mutually acceptable to Buyer and Seller in good faith with experience in the merchant acquiring industry (or, if Buyer and Seller are unable to agree in good faith, then a single arbitrator selected pursuant to the JAMS Streamlined Arbitration Rules and Procedures).

"Benefit Plans" means "employee benefit plans," as defined in Section 3(3) of ERISA, all

benefit plans as defined in Section 6039D of the Code and the rules and regulations promulgated thereunder, and all other stock purchase, stock option, equity-based, retention bonus, bonus, incentive compensation, deferred compensation, profit sharing, severance, change in control, supplemental unemployment, layoff, salary continuation, retirement, pension, health, life insurance, disability, group insurance, vacation, holiday, sick leave, fringe benefit, welfare and other employee benefit plans or employment (including severance and change in control) agreement, program, policy or other arrangement (whether formal or informal, oral or written, qualified or non-qualified, and whether or not subject to ERISA), including any funding mechanism therefor or otherwise, under which any employee or former employee of the Company or any ERISA Affiliate has any present or future right to benefits or under which the Company or any ERISA Affiliate has any present or future liability.

“Books and Records” means the Company’s existing accounting, business, marketing, personnel, and other files, documents, instruments, papers, books and records, including, financial statements, budgets, ledgers, journals, deeds, titles, policies, manuals, Contracts, franchises, permits, supplier lists, reports, computer files and data, retrieval programs and operating data or plans; excluding however, minute books, stock certificates and books and stock transfer ledgers.

“Business Day” means a day other than Saturday, Sunday, or any day on which the principal commercial banks located in the State of New York are authorized or obligated to close under the Laws of such state or the United States.

“Buyer” has the meaning set forth in the Preamble.

“Buyer Indemnified Parties” means Buyer and any of its affiliates and the equity holders, members, shareholders, directors, managers, officers, employees, agents, representatives, successors and assigns and affiliates of any of the foregoing.

“Cash Consideration” has the meaning set forth in Section 2.2(a).

“Class P Units” means the Class P Units of i3 Verticals, LLC.

“Closing” means the consummation of the Contemplated Transactions as provided in Section 2.4.

“Closing Date” means the date of the Closing.

“Closing Date Indebtedness” means any Liability or indebtedness of the Company, whether or not contingent, (a) in respect of borrowed money or evidenced by notes, bonds, monies, debentures, mortgage, deeds of trust or similar instruments, (b) representing the balance deferred and unpaid of the purchase price of any property (including pursuant to capital leases and all seller notes and earn-out payments for which the Company is liable) but excluding ordinary course trade payables, (c) in respect of banker’s acceptances or letters of credit or similar credit or surety transactions (in each case, to the extent drawn), (d) representing net Liabilities under any interest rate, currency or other hedging arrangement and determined as if such instrument were terminated as of the Closing Date, (e) representing Liabilities under any deferred compensation arrangements, residual buyout agreements, phantom stock arrangements or similar arrangement and any Taxes payable in connection therewith (including the employer portion of any payroll, social security,

unemployment or similar employer-side Tax imposed on such amounts), (f) in respect of any off- balance sheet financing (but excluding capital leases, which are covered under clause (b) above), (g) for checks in transit and overdrafts, (h) for guarantees, direct or indirect, in any manner, of all or any part of any such indebtedness of any Person, (i) for accounts payable and all other current liabilities of the Company (including taxes, rebates, and other expenses of the Company that are accrued, withheld, or payable with respect to the period ending on the Closing, including, expenses associated with the Contemplated Transactions including amounts payable to brokers), (j) in respect of any and all accrued vacation, sick, holiday, personal and time off pay, wages, severance or commissions accrued through the Closing Date owed to any employees or contractors of the Company, and (k) for each of clauses (a) through (j) above, any interest accrued thereon and prepayment or similar penalties and expenses which would be payable if such Liability were paid in full as of the Closing Date.

“Closing Memorandum” has the meaning set forth in Section 2.5(d).

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, Section 4980B of the Code, Title I, Part 6 of ERISA and the Public Health Service Act, together with all regulations promulgated thereunder.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“Company” has the meaning set forth in the Recitals.

“Company’s Business” has the meaning set forth in the Recitals.

“Company Product” means any software or product that the Company manufactures, distributes, sells, or provides access to.

“Contemplated Transactions” means the transactions contemplated by this Agreement and the other Transaction Documents.

“Contracts” means all commitments, contracts, leases, subleases, licenses, sublicenses, subscriptions, agreements for rebates (whether or not free-standing or part of any of the foregoing) and other agreements of any kind relating to the Company’s Business or assets of the Company to which the Company is a party or by which any of the assets are bound, in each case regardless of whether or not a written document is in force with respect thereto.

“Damages” means losses, liabilities, damages, costs (including court costs and costs of appeal and including costs with respect to enforcement of an indemnity claim), Taxes and expenses (including reasonable attorney’s fees), whether accruing before or after the expiration of any applicable Survival Period. “Damages” shall be exclusive of any punitive or special damages.

“Data Breach” has the meaning set forth in Section 5.25.

“Domain Names” means Internet domain names and numbers.

“Effective Time” has the meaning set forth in the Preamble.

“Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement” has the meaning set forth in Section 2.5(c).

“Environmental Claim” means any investigation or written claim, action, cause of action, or notice by any person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from: (a) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location owned or operated by the Company; or (b) circumstances forming the basis of any violation or alleged violation of any Environmental Law applicable to the Company or the Company’s business.

“Environmental Laws” means as of the Closing Date, all applicable Laws relating to pollution or protection of human health (as relating to the environment or the workplace) and the environment (including ambient air, surface water, ground water, land surface or sub-surface strata), including Laws relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern, including, but not limited to Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Clean Water Act, 33 U.S.C. § 1251 et seq., each as may have been amended or supplemented, and any applicable environmental transfer statutes or Laws.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means (a) any related company or trade or business that is required to be aggregated with the Company under Code Sections 414(b), (c), (m) or (o); (b) any other company, entity or trade or business that has adopted or has ever participated in any Benefit Plan related to the Company; and (c) any predecessor or successor company or trade or business of the Company.

“Excluded Liabilities” means:

- (a) With respect to any Contract, any Liability:

Effective Time;

- (i) arising, and which accrued or was due or dischargeable prior to the Effective Time;

- (ii) resulting from any breach or default under any Contract outstanding or occurring at or prior to the Closing Date, or resulting from any event occurring before the Closing Date, which event with the giving of notice or the passage of time or both would result in a breach or default;

- (iii) arising from or related to the failure to obtain a Required Consent by the Closing Date unless Buyer specifically waives in writing delivery of such Required Consent; or

(iv) that are not ascertainable (in nature and amount) solely by reference to the express terms of such Contracts.

(b) all Liabilities arising out of any breach or default by the Company of any applicable Law or License, or any fee or penalty for the failure to obtain a License, in each case arising or resulting from any event occurring before the Closing Date;

(c) all Liabilities for Taxes relating to the Company's Business, the Company or the Company's assets for any Pre-Closing Period Taxes of the Company or any affiliate of the Company, including the consummation of the Contemplated Transactions;

(d) any Liabilities to employees or Referral Sources related to payment transactions entered into prior to the beginning of the Effective Time;

(e) any fines and fees associated with transactions occurring prior to the Closing Date;

(f) all Liabilities arising prior to the Closing Date or as a result of the Closing for severance, bonuses, or any other form of compensation to any employees, agents, or independent contractors of the Company, whether or not employed by Buyer after the Closing Date and whether or not arising or under any applicable Law, Benefit Plan, or other arrangement with respect thereto and all Liabilities for Taxes related to the foregoing;

(g) all Liabilities for indebtedness of the Company incurred prior to the Closing Date

(h) all Liabilities related to or arising out of any Benefit Plan incurred prior to the Closing Date or the termination of any Benefit Plan, regardless of when incurred;

(i) all Liabilities arising out of the ownership or operation of the Company's assets prior to the Closing Date; and

(j) any other Liabilities, regardless of when made, arising, or asserted, set forth on Schedule 1.1(b).

"Financial Statements" has the meaning set forth in Section 5.5.

"Fundamental Representations" has the meaning set forth in Section 9.1.

"Governmental Authority" means the government of the United States and any government of a state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the United States (including receivers or other agents appointed by any of the foregoing), any state of the United States or any political subdivision thereof, any tribunal or arbitrator(s) of competent jurisdiction and any self-regulatory organization.

"Indemnified Party" has the meaning set forth in Section 9.5(a).

“Indemnifying Party” has the meaning set forth in Section 9.5(a).

“Intellectual Property” means all: means all intellectual property and other similar proprietary rights in any jurisdiction worldwide, whether owned or held for use under license, whether registered or unregistered, including, without limitation, such rights in and to: (i) Trademarks; (ii) inventions, invention disclosures, discoveries and improvements, whether or not patentable; (iii) issued patents and pending patent applications, and any and all divisions, continuations, continuations in part, reissues, continuing patent applications, reexaminations, and extensions thereof, any counterparts claiming priority therefrom, utility models, patents of importation/confirmation, certificates of invention, certificates of registration and like rights; (iv) works of authorship, copyrights and all other copyrightable works; (v) customer or end user lists, contact information, licensing and purchasing histories, manufacturing information, business plans and product roadmaps; (vi) technology, computer programs, computer software, including without limitation, source and object code, application programming, firmware, user interfaces, manuals, models, firmware, algorithms and implementations thereof, development tools, flow charts, programmers’ annotations and notes, and other work product used to design, plan, organize, maintain, support or develop any of the foregoing, irrespective of the media on which it is recorded, and other software related specifications, materials and documentation; (vii) databases, data and data collections; (viii) Domain Names and uniform resource locators; (ix) Trade Secrets, other proprietary information, know-how, methodologies, processes, technical data, techniques, methods, compositions, ideas, procedures, concepts and tools (whether or not patentable or reduced to practice), formulas, business and technical information, know-how, non-public information, and confidential information and rights to limit the use or disclosure thereof by any Person; (x) product designs, reference designs, specifications and documentation and (xi) moral rights. With respect to each of the foregoing, “Intellectual Property” includes all: (a) claims, causes of action and defenses relating to the enforcement of any of the foregoing, including for past infringement, (b) the goodwill associated with any of the foregoing; and (c) all tangible documentation relating to any of the foregoing including registrations of, applications for the registration of, and renewals and extensions of any of the foregoing with or by any Governmental Authority.

“Knowledge” for purposes of this Agreement, Company will be deemed to have Knowledge of a particular fact or other matter if (i) Ality Richardson, Ashley Richardson, Tom Oldner or any officer or management level employee (each a “Knowledge Party”) of Company is actually aware of the fact or matter or (ii) a prudent individual serving in the capacity of any Knowledge Party could be expected to discover or otherwise become aware of the fact or matter in the course of conducting a reasonable investigation regarding the accuracy of the statement, a representation or warranty made with respect thereto.

“Law” means the Rules and any statute, rule, regulation, code, ordinance, resolution, order, writ, injunction, judgment, decree, ruling, promulgation, policy, treaty, directive, interpretation or guideline adopted or issued by any Governmental Authority.

“Liability” means with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or

otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Licenses” means all licenses, franchises, accreditations and registrations, permits, approvals and consents (and all applications therefore) issued by any Governmental Authority or Payment Network in connection with the ownership, operation or development of any portion of the Company’s Business.

“Lien” means any mortgage, pledge, assessment, security interest, lien, adverse claim, levy, charge or other encumbrance of any kind, or any right of first refusal, conditional sale contract, option, title retention contract, or other contract to give or to refrain from giving any of the foregoing.

“Material Adverse Effect” means any event, change, effect or circumstance that has occurred that may have a material adverse effect upon the Company’s Business, assets, Liabilities, financial condition, or operating results; provided, however, that for purposes of this Agreement, a Material Adverse Effect shall not include the effect of (a) changes to the industry or markets in which the Company’s Business operates, (b) the announcement or disclosure of the transactions contemplated herein or the identity of Buyer or its affiliates, (c) general economic, regulatory or political conditions or changes, (d) changes in or the condition of financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (e) military action or any act of terrorism, and (f) changes in Law after the date hereof; except (other than in the case of clause (b) above), to the extent such effect, development, occurrence, circumstance, state of facts or change that has a materially disproportionate and adverse impact on the Company or the Company’s Business, taken as a whole, relative to other participants in the industries in which the Company conducts its business.

“Material Contracts” has the meaning set forth in Section 5.10(a).

“Merchant” means a Person (i) from which the Company receives compensation as a result of the Company selling, reselling, licensing or servicing products, equipment or software or (ii) any customer for whom the Company directly or indirectly provides payment processing services or with respect to whom the Company receives residuals, commissions or fees, including but not limited to processing ACH, credit or debit card payments, including those set forth on Schedule 1.1(a).

“Merchant Agreement” means, for any Merchant, any agreement between such Merchant on the one hand and the Company, NCR, a Processor or a Referral Source on the other.

“NCR” means NCR Corporation.

“NCR Reseller Agreement” means that certain Radiant Reseller Agreement dated June 14, 2005, as amended, between the Company and NCR (as successor-in-interest to Radiant Hospitality Systems, Ltd.).

“Offer Letter” has the meaning set forth in Section 2.5(d).

“Order” means a judgment, order, writ, injunction, decree, determination, or award of any

Governmental Authority.

“Parties” has the meaning set forth in the Preamble.

“Payment Network” means MasterCard International, Inc., Visa International, Inc., Visa USA, Inc., DFS Services LLC, American Express Travel Related Services, Inc., any affiliate of any of the foregoing and any other card association, debit card network or similar entity with whom the Company has a direct or indirect merchant or sponsorship relationship.

“Permitted Encumbrances” means (i) any Lien or other matter, encumbrance or defect approved in writing by Buyer, (ii) any lease obligations of the Company disclosed herein and (iii) any statutory Lien for Taxes that are not yet due and payable.

“Person” means any individual, corporation, company, body corporate, association, partnership, firm, joint venture, limited liability company, trust or governmental agency.

“Personal Information” means information that, alone or in combination with other information, relates to a specific, identifiable individual person, including individual names, social security numbers, telephone numbers, home addresses, driver’s license numbers, account numbers, email addresses, internet protocol (IP) addresses, and vehicle registration numbers.

“Personal Property” means all tangible and intangible personal property used or held for use in connection with the Company’s business, including all equipment, furniture, fixtures, machinery, computers, appliances, telephones, switches, dialers, office furnishings, instruments, leasehold improvements, spare parts, all rights in all warranties of any manufacturer or vendor with respect thereto and rebates received in connection with inventory or any item described in this definition.

“Pre-Closing Period” means any taxable year or period (or a portion thereof) ending on or prior to the Closing Date.

“Privacy Laws” means all applicable Laws governing the receipt, collection, use, storage, processing, sharing, security, disclosure or transfer of Personal Information, including The Family Educational Rights and Privacy Act, The Children’s Online Privacy Protection Act, the Communications Decency Act and the Payment Card Industry Data Security Standard.

“Proceeding” means any arbitration, audit, hearing, investigation, subpoena, litigation, suit or other similar action by or before a Governmental Authority.

“Processors” means any processors, acquirers or sponsor banks, or originator depository financial institutions utilized by the Company.

“Purchase Price” has the meaning set forth in Section 2.2.

“Real Property” means all fee, leasehold and other interests in real property owned or leased by the Company, whether directly or indirectly, or otherwise used or held for use in connection with the Company’s business, together with all buildings, improvements and fixtures and construction in progress located thereupon and all appurtenances, rights of way and air,

mineral or other rights related thereto.

“Referral Source” means any Person that markets or refers the Company Products or Company’s services to Merchants and any reseller of the Company Products or Company’s services, including any Person that is paid a portion of the any compensation received in connection with origination of any Merchant Agreement.

“Rules” means the bylaws, regulations and/or requirements that are promulgated by the Payment Networks, Processors of the Company, NACHA or similar entities or organizations.

“Seller Indemnified Parties” means each of Seller Parties, its affiliates and the stockholders, members, directors, managers, officers, employees, agents, representatives, successors and assigns and affiliates of any of the foregoing.

“Settlement Statement” has the meaning set forth in Section 2.3(a).

“Survival Period” has the meaning set forth in Section 9.1.

“Taxes” means (i) any and all federal, state, local, foreign and other net income, gross income, gross receipts, capital gains, sales, use, ad valorem, unclaimed property, transfer, franchise, profits, license, lease, rent, service, service use, withholding, payroll, employment, excise, severance, privilege, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, social security, workers’ compensation, unemployment compensation or insurance, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, (ii) any liability for payment of amounts described in clause (i) as a result of transferee liability or otherwise through operation of law, and (iii) any liability for the payment of amounts described in clauses (i) or (ii) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other Person.

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

“Trade Secrets” means confidential and proprietary information, whether oral or written, including ideas, designs, concepts, compilations of information, methods, techniques, procedures, processes and other know-how, whether or not patentable, of any nature in any form, including all writings, memoranda, copies, reports, papers, surveys, analyses, drawings, letters, computer printouts, computer programs, computer applications, specifications, business methods, business processes, business techniques, business plans, data (including Merchant data), graphs, charts, sound recordings or pictorial reproductions.

“Trademarks” means unregistered and registered trademarks and service marks, trademark and service mark applications, common law trademarks and service marks, trade dress and logos, trade names, business names, corporate names, product names and other source or business identifiers, certification marks, slogans, brand names, assumed names, and all other indicia of origin and the goodwill associated with any of the foregoing and any renewals and extensions of any of the foregoing.

“Transaction Documents” has the meaning set forth in Section 4.1.

ARTICLE II PURCHASE, SALE AND CONTRIBUTION

2.1 Purchase and Sale of Shares. As of the Effective Time, Seller will sell, transfer and convey all of the Shares to Buyer, free and clear of all Liens, in exchange for the Purchase Price.

2.2 Purchase Price. On the terms and subject to the conditions hereof, the aggregate consideration for the purchase and sale of the Shares, subject to adjustment pursuant to the provisions of this Article II shall be as follows (collectively, the “Purchase Price”):

(a) Buyer shall pay cash or otherwise immediately available funds in an aggregate amount equal to Twenty Million Dollars (\$20,000,000) (the “Cash Consideration”), to Seller; and

(b) Buyer shall cause 200,000 Common Units of i3 Verticals, LLC (the “Common Units”), to be issued to Seller.

(c) Buyer shall cause i3 Verticals, LLC to issue 200,000 Class P Units to the following parties in the following amounts:

(i) 100,000 Class P Units to be allocated between certain key employees of the Company identified on Exhibit A to this

Agreement;

(ii) 50,000 Class P Units to each of Ality Richardson and Ashley Richardson.

2.3 Cash True-Up and Settlement Statement.

(a) Beginning at least three (3) Business Days prior to the Closing, and continuing until no later than ninety (90) days following the Closing Date, Buyer shall prepare in good faith and deliver to Seller a statement (with reasonable detail and corroborating support attached or otherwise concurrently provided) (the “Settlement Statement”) setting forth: (i) payments to the Company that were received after the Effective Time, that were accrued prior to the Effective Time and (ii) amounts earned by the Company that are to be received after the Effective Time including but not limited to (1) hosted solutions residuals, (2) NCR merchant solutions, (3) Silver commissions, (4) NCR rental residuals, (5) NCR co-op payments, and (6) any other residuals, (collectively the “True-Up Liabilities”); and (iii) Liabilities that were paid by or credited to the Company’s Business after the Effective Time that relate to or arose prior to the Effective Time (the “True-Up Credits”). The amount, if any, by which (1) the True-Up Credits exceed the True-Up Liabilities is the “True-Up Surplus” and (2) the True-Up Liabilities exceed the True-Up Credits is the “True-Up Deficit”.

(b) Examination and Review.

(i) Examination. After receipt of the Settlement Statement, Seller shall have thirty (30) days (the “Review Period”) to review the Settlement Statement. During the Review

Period, Seller and its accountants shall have full access to the Books and Records of the Company, the personnel of, and work papers prepared by, the Buyer's accountants to the extent that they relate to the Settlement Statement and to such historical financial information (to the extent in Seller's possession) relating to the Settlement Statement as Seller may reasonably request for the purpose of reviewing the Settlement Statement and to prepare a Statement of Objections (defined below), provided, that such access shall be in a manner that does not interfere with the normal business operations of the Parties.

(ii) Objection. On or prior to the last day of the Review Period, Seller may object to the Settlement Statement by delivering to Buyer a written statement setting forth Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for Seller's disagreement therewith (the "Statement of Objections"). If Seller fails to deliver the Statement of Objections before the expiration of the Review Period, the Settlement Statement and the True-Up Surplus or True-Up Deficit, as the case may be, reflected in the Settlement Statement shall be deemed to have been accepted by Seller. If Seller delivers the Statement of Objections before the expiration of the Review Period, Buyer and Seller shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the "Resolution Period"), and, if the same are so resolved within the Resolution Period, the True-Up Surplus or True-Up Deficit, as the case may be, and the Settlement Statement with such changes as may have been previously agreed in writing by Buyer and Seller shall be final and binding.

(iii) Resolution of Disputes. If Seller and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("Disputed Amounts") shall be submitted for resolution to an independent accountant reasonably acceptable to Seller and Buyer (the "Independent Accountants") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to, the True-Up Surplus or True-Up Deficit, as the case may be, and the Settlement Statement. The Parties agree that all adjustments shall be made without regard to materiality. The Independent Accountants shall only decide the specific items under dispute by the Parties, and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Settlement Statement and the Statement of Objections, respectively.

(iv) Fees of the Independent Accountants. The fees and expenses of the Independent Accountant shall be paid by Seller, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Seller or Buyer, respectively, bears to the aggregate amount actually contested by Seller and Buyer.

(v) Determination by Independent Accountants. The Independent Accountants shall make a determination as soon as practicable within thirty (30) days (or such other time as the Parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Settlement Statement and/or the True-Up Surplus or True-Up Deficit shall be conclusive and binding upon the Parties hereto.

(vi) Payments of Post-Closing Adjustment. Except as otherwise provided herein, any payment of the True-Up Surplus or True-Up Deficit shall (A) be made by Seller in the case of a True-Up Surplus, or the Buyer in the case of a True-Up Deficit, (B) be due

(x) within five (5) Business Days of acceptance of the Settlement Statement or (y) if there are Disputed Amounts, then within five (5) Business Days of the resolution described in clause (v) above; and (C) be paid by wire transfer of immediately available funds to such account as is directed by Buyer or Seller, as the case may be.

2.4 The Closing. The Closing shall be deemed to occur contemporaneously with the Parties' execution and delivery of this Agreement and the other items to be delivered at Closing pursuant to this Article II. The date of the Closing shall be the "Closing Date" for purposes of this Agreement.

2.5 Actions of Seller at Closing. At the Closing, unless otherwise waived in writing by Buyer, Seller shall deliver to Buyer the following:

(a) (i) A certificate of Status showing good standing of the Company from the Secretary of State of the State of California, dated the most recent practicable date prior to Closing;

(b) Fully-executed resignations of the directors and officers of the Company;

(c) Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement (the "Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement"), executed by Seller;

(d) A letter evidencing an offer of employment by Buyer or one of its affiliates to Ality Richardson and Ashley Richardson (each, an "Offer Letter"), executed by Ality Richardson and Ashley Richardson, as applicable;

(e) A Closing Memorandum providing for payments of all amounts owed between the Parties at the Closing, including the Cash Consideration and amounts owed among the Parties (the "Closing Memorandum"), executed by Seller;

(f) Evidence satisfactory to Buyer that the payments listed on Schedule 5.16(b) have been paid by Seller;

(g) A Subscription Agreement, evidencing Seller's receipt of the Common Units, executed by Seller (the "Subscription Agreement");

(h) An executed payoff letter or statement in form and substance reasonably satisfactory to Buyer from all secured creditors of or lienholders with respect to the Company or its assets to release any and all existing liens on and/or security interests in the Company's assets;

(i) A statement, signed by Seller, which sets forth, by creditor, the aggregate amount of the Closing Date Indebtedness, with copies of payoff letters and payment instructions for payoffs of each creditor at Closing;

(j) Class P Unit Agreements executed by each recipient of Class P Units as described in Section 2.2(c);

(k) stock certificates evidencing the Shares, free and clear of all Liens, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, with all required stock transfer tax stamps affixed thereto, if any;

(l) Consents from the lessors to the Real Property Leases, duly executed by such lessors, authorizing the Contemplated Transactions (the "Lease Consents"), such Lease Consents which Buyer will cooperate with Seller and such lessors in obtaining;

(m) Such other documents as may be reasonably required by Buyer to effectuate the Contemplated Transactions.

Simultaneously with the delivery of the foregoing items, Seller will take all such steps as may reasonably be required to put Buyer in actual possession and operating control of the Shares.

2.6 Actions of Buyer at Closing. At the Closing, unless otherwise waived in writing by Seller, Buyer shall deliver to Seller the following:

(a) The Cash Consideration less any amounts payable to third parties on behalf of Seller in satisfaction of the Closing Date Indebtedness, by wire transfer, and the Common Units;

(b) Certificate of the secretary of Buyer, certifying (i) the resolutions of the sole member of Buyer, authorizing and approving the performance of the Contemplated Transactions and the execution and delivery of this Agreement and the documents described herein, and (ii) incumbency for the officers of Buyer executing this Agreement, making certifications for Closing or executing agreements or instruments contemplated hereby dated as of the Closing Date;

(c) The Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement, executed by Buyer;

(d) Each Offer Letter, executed by Buyer;

(e) The Closing Memorandum, executed by Buyer;

(f) The Subscription Agreement, executed by Buyer; and

(g) Such other documents as may be reasonably required by the Company to effectuate the Contemplated Transactions.

ARTICLE III CONTINGENT CONSIDERATION

3.1 Contingent Consideration. Seller shall be entitled to receive additional consideration from Buyer based on the post-Closing performance of the Acquired Business (the "Contingent Consideration") in accordance with the following. All initial determinations regarding whether the targets set forth in Section 3.1 have been achieved shall be reasonably made by Buyer promptly after such determination is practicable. Within ten (10) Business Days following the final determination of the achievement of each milestone provided in this Section 3.1, Buyer shall pay

the applicable amount attributable to such milestone by wire transfer of immediately available funds to Seller.

(a) Definitions.

(i) "Acquired Business" shall mean the Company's Business as operated by Buyer post-Closing.

(ii) "EBITDA" shall mean earnings before interest, taxes, depreciation and amortization. For the avoidance of doubt, EBITDA shall be calculated in the same manner as the Company's 2017 adjusted EBITDA was calculated, and shall not take into account (x) any increases in merchant pricing above what was offered by the Company to Merchants in 2017 (except any merchant fee increases deemed to be industry standard, as determined by Buyer in its reasonable discretion), (y) acquisitions by the Company or (z) other revenue generated outside of the Company's historic ordinary course of business.

(iii) "Measurement Period 1" means the period beginning November 1, 2017 and ending October 31, 2018.

(iv) "Measurement Period 2" means the period beginning November 1, 2018 and ending October 31, 2019.

(b) Seller will be entitled to the Contingent Consideration identified in clauses (i)-(ii) below for Measurement Period 1 and Measurement Period 2, as applicable, if the Acquired Business achieves the EBITDA levels identified in clauses (i)-(ii) below (the "EBITDA Measurement Targets") with respect to the applicable Measurement Period.

(i) If, as of the last day of Measurement Period 1, the total EBITDA generated by Acquired Business during Measurement Period 1 is at least \$4,960,000, Seller will be entitled to Contingent Consideration of \$1,200,000.

(ii) If, as of the last day of Measurement Period 2, the total EBITDA generated by Acquired Business during Measurement Period 2 is at least \$5,456,000, Seller will be entitled to Contingent Consideration of \$1,200,000.

(c) For the sake of clarity, if the EBITDA Measurement Target for a particular Measurement Period is not achieved as of the end of such Measurement Period, Seller will not be entitled to any Contingent Consideration for such Measurement Period.

3.2 Arbitration.

(a) If Seller disputes Buyer's determination with respect to the achievement of a milestone provided in Section 3.1, Seller shall notify Buyer in writing by delivery of a notice (an "Contingent Consideration Dispute Notice"), which Contingent Consideration Dispute Notice shall set forth in reasonable detail the basis for such dispute. In the event of such a dispute, Seller and Buyer shall work in good faith to resolve the dispute. If, after ten (10) Business Days, a dispute still exists, such dispute shall be submitted the Arbitrator. The Arbitrator shall make its determination regarding the disputed items as promptly as practicable, and such determination

shall be the final determination. The Arbitrator shall determine whether and to what extent, if any, Contingent Consideration has been earned. Any expenses relating to the engagement of the Arbitrator shall be borne by the Party whose determination of whether Contingent Consideration has been earned was incorrect. The Arbitrator shall be instructed to use every reasonable effort to perform its services within fifteen (15) Business Days of the Arbitrator's engagement and, in any case, as soon as practicable after submission thereof. The Arbitrator's decision shall be final and binding on the Parties. The Parties shall make available to the Arbitrator, as applicable, such books, records and other information as the Arbitrator may reasonably request. In the event such the Arbitrator provides an award hereunder, the Party owing such award shall pay all such award, by wire transfer of immediately available funds.

(b) In the event that actions are taken or decisions are made by Buyer or an affiliate of Buyer that adversely affect the achievement of any of the milestones relating to the Contingent Consideration that are set forth in Section 3.1, and such actions or such decisions are determined by the Arbitrator to have been made by Buyer or an affiliate of Buyer in bad faith and for the primary purpose of frustrating the achievement of the applicable milestones, then the Arbitrator shall determine what milestones would have been achieved but for such actions or decisions taken by Buyer and such milestones shall be deemed to have been achieved.

3.3 Nature of Contingent Consideration. The Seller acknowledges and agrees that:

(a) Buyer has the absolute right to operate the Acquired Business following the Closing in any manner as Buyer deems appropriate, in Buyer's sole discretion, and while Buyer agrees that it will operate the Acquired Business, Buyer has no obligation to operate the Acquired Business in any manner to achieve or maximize Contingent Consideration, and in no event shall be required to operate the Acquired Business in violation of any Law. Each Seller Party further acknowledges that the absence of Matt Richardson's involvement in the operation of the Acquired Business adds additional uncertainty to the Acquired Business' ability to achieve the EBITDA Measurement Targets.

(b) any Contingent Consideration is speculative and is subject to numerous factors outside the control of Buyer; and

(c) the Parties intend that the express provisions of this Article III will solely govern their contractual relationship with respect to Contingent Consideration.

3.4 Result of Breach. Notwithstanding anything in this Article III to the contrary, no Contingent Consideration shall be due for so long as Seller is or remains in material breach of this Agreement or any of the Transaction Documents, or (ii) is terminated by the Buyer (or an affiliate thereof) for cause. This Section 3.4 is not subject to the provisions of Section 3.2.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLER PARTIES

Seller Parties, jointly and severally, represent and warrant to Buyer as of the Closing Date as follows:

4.1 Authorization; Binding Effect.

(a) Each Seller Party has full power and authority to execute and deliver this Agreement and all other agreements, documents and instruments to be executed and delivered hereunder (the "Transaction Documents") and to perform its obligations hereunder and thereunder. The Transaction Documents and performance and consummation of the Contemplated Transactions are and have been approved and authorized by all requisite action of each Seller Party, and no other legal proceedings on the part of any Seller Party are necessary therefor. The Transaction Documents have been duly executed and delivered by each Seller Party and, assuming due authorization, execution and delivery of this Agreement and the other Transaction Documents by the other Parties, the Transaction Documents are the valid and legally binding obligation of each Seller Party, enforceable against each Seller Party in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and limitations on enforcement of equitable remedies.

(b) Ashley Richardson hereby acknowledges that Ality Richardson is the duly authorized trustee of the Seller and has the requisite power and authority to negotiate and execute this Agreement in such capacity.

4.2 Non-contravention. Neither the execution and delivery of this Agreement nor any of the Transaction Documents to which any Seller Party is a party, nor the consummation of the Contemplated Transactions, will: (a) violate any Law, injunction, judgment, ruling, charge, or other restriction of any Governmental Authority to which any Seller Party is subject; (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, Contract, lease, license, instrument, or other arrangement to which any Seller Party is a party or by which it is bound or to which any of its assets or properties are subject; or (c) result in the imposition or creation of any Liens upon or with respect to the Shares or any assets or properties of the Company. No spouse or former spouse of Matthew, Ality or Ashley Richardson has any claim, right, or power under or as a result of any community or other marital property laws that will, or would reasonably be expected to, give such Person the legal right to prevent, delay, or render invalid Ality Richardson's, Ashley Richardson's or Seller's execution of this Agreement or any of the Transaction Documents to which any Seller Party is a party or the consummation of the Contemplated Transactions or to cause any Liens to exist upon the Shares or any assets or properties of the Company at the Effective Time or at any time thereafter. No other Person has any claim, right, or power under or as a result of any contractual right or otherwise that will, or would reasonably be expected to, give any such Person the legal right to prevent, delay, or render invalid any Seller Parties' execution of this Agreement or any of the Transaction Documents to which any Seller Party is a party or the consummation of the Contemplated Transactions or to cause any Liens to exist upon the Shares or any assets or properties of the Company at the Effective Time or at any time thereafter.

4.3 Necessary Consents. No Seller Party is a party to or bound by any Lien or Contract or instrument, or any Law that requires a Required Consent.

4.4 Title to Shares. Seller has sole voting power and sole power of disposition, in each case with respect to all of the Shares with no limitations, qualifications or restrictions on such rights and powers. The Shares are free and clear of any Liens. Seller is not subject to any agreements, arrangements, options, warrants, calls, rights, commitments or other restrictions

relating to the sale, transfer, purchase, redemption or voting of its Shares. Neither the Company nor any Seller Party has granted to any Person any right of first refusal, preemptive right, subscription right or similar right with respect to the Shares.

4.5 Capital Structure. Seller is the record owner of and has good and valid title to the Shares. The Shares consist of 100% of the total issued and outstanding capital stock of the Company. All of the Shares are issued and outstanding and no shares of capital stock of the Company are owned, beneficially or of record, by any Person other than Seller. All of the Shares are duly authorized and validly issued, fully paid and nonassessable and not subject to any preemptive rights. Except as set forth above, (a) there is no equity of the Company authorized, issued or outstanding, (b) there are no existing options, warrants, calls, preemptive rights, subscription or other rights, agreements, arrangements or commitments of any character, relating to the issued or unissued equity of the Company, obligating the Company to issue, transfer, redeem, purchase or sell or cause to be issued, transferred, redeemed, purchased or sold any equity of the Company or to otherwise make any payment in respect of any such equity, and (c) there are no rights, agreements or arrangements of any character which provide for an equity appreciation or similar right or grant any right to share in the equity, income, revenue or cash flow of the Company. Other than the organizational documents of the Company, there are no voting trusts, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

ARTICLE V REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY

Seller Parties, jointly and severally, represent and warrant to Buyer as of the Closing Date as follows:

5.1 Status. The Company (i) is a corporation duly incorporated, validly existing, and in good standing under the Laws of the State of California, (ii) has all requisite corporate power and authority to carry on its business as now and heretofore conducted and to own, operate and lease its properties and assets and to perform its obligations under the Contracts, (iii) is duly qualified or licensed to transact business in and is in good standing under the Laws of each jurisdiction where such qualification is required, and (iv) Seller has delivered to Buyer copies of the Articles of Incorporation and Bylaws of the Company, as currently in effect. The Company owns no interest in any Person.

5.2 Authorization; Binding Effect. Seller has the capacity and authority to execute and deliver this Agreement and all Transaction Documents and to perform his obligations hereunder and thereunder. The Transaction Documents have been duly executed and delivered by Seller and, assuming due authorization, execution and delivery of this Agreement and the other Transaction Documents by the other Parties, the Transaction Documents are the valid and legally binding obligation of Seller, enforceable against Seller in accordance with their terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and limitations on enforcement of equitable remedies.

5.3 Required Consents. Except as described in Schedule 5.3 and other than with respect to Permitted Encumbrances, the Company is not a party to or bound by any Lien or Contract or

instrument, or any Rule or Law that requires the consent of any other party to the execution of this Agreement or the consummation of the Contemplated Transactions, gives rise to a right of first refusal in favor of any other party as a result of the execution of this Agreement or the consummation of the Contemplated Transactions or prohibits or requires the consent or notification of another to, any of the Contemplated Transactions (the “Required Consents”).

5.4 No Conflict. Each Seller Parties’ negotiation, execution, delivery and performance of the Transaction Documents, consummation of the Contemplated Transactions and compliance with any of the provisions thereof will not (a) assuming that all Required Consents have been obtained, violate any Law to which any Seller Party, the Shares or the Company’s assets may be subject, (b) conflict with or result in a breach of any provision of the organizational documents of the Company or any Seller Party, (c) other than as provided on Schedule 5.3, require any consent, approval or authorization of, or notice to, or declaration, filing or registration with, any Governmental Authority that is required by Law or the regulations of any Governmental Authority, (d) violate any Order to which the Company, any Seller Party or the Shares may be subject, (e) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify, any License that is held by and that is material to the Company or that otherwise relates and is material to the Company’s Business, the Shares or any of the Company’s assets, (f) violate, or conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or result in the creation of any Lien upon the Shares or result in being declared void, voidable, without further binding effect, or subject to amendment or modification any of the terms, conditions or provisions of, any Contract, license, franchise, permit, or other instrument or commitment or obligation to which any Seller Party or the Company may be bound or affected, (g) cause Buyer or the Company to become subject to, or to become liable for the payment of, any Tax, (h) cause any of the Company’s assets to be reassessed or revalued by any taxing authority or other Governmental Authority, (i) violate or cause a breach under the Rules or (j) give rise to any Liabilities related to any portability premium, early termination fee or other amount payable to any Processor.

5.5 Financial Statements; Seller Receivables.

(a) Schedule 5.5 includes copies of the reviewed balance sheets, income statements and statements of cash flows of the Company, in each case, as of and for the fiscal years ended October 31, 2014, 2015 and 2016 and copies of the unaudited balance sheet and income statement for the period ending September 30, 2017 (the “Financial Statements”). As of September 30, 2017, the Company had no Liabilities not reflected on the balance sheet for such date. Since October 31, 2016 (the “Balance Sheet Date”), the Company has not experienced a Material Adverse Effect and the Company has not incurred any Liabilities, except Liabilities incurred in the ordinary course of business. The Financial Statements are based on the Books and Records and have been prepared in accordance with GAAP, applied consistently throughout the periods indicated and fairly present the financial condition of the Company as of such dates and the results of its operations for the periods specified.

(b) No Seller Party has any right to receive payments from NCR, any

Merchants, processors, or any other third parties in connection with the Merchant Agreements or any Contracts relating to the Company's Business, or (ii) any other payments owed by third parties with respect to the Company's Business (whether or not related to the Merchants), including any convenience fees, commissions, ancillary fees, license fees and any other revenue streams relating to transactions of the Merchants, including all amounts relating to collections recovery, retrieval fees, miscellaneous credits and other similar funds paid by issuing banks.

5.6 Undisclosed Liabilities. Except as set forth on Schedule 5.6, the Company does not have any Liabilities, debts or obligations of any nature, whether known or unknown, accrued, absolute, fixed, contingent, liquidated, unliquidated, or otherwise and whether or not due (collectively, "Obligations"), other than Obligations that were reflected or reserved against on the Financial Statements.

5.7 Absence of Certain Changes. Since the Balance Sheet Date except as described in Schedule 5.7, (a) the Company has conducted the Company's Business only in the ordinary course of business, consistent with past practice and in compliance with Law in all material respects, (b) the Company has not entered into, amended the terms of or terminated any Material Contracts, and (c) the Company has not experienced a Material Adverse Effect and to the Knowledge of Company, no circumstance exists that can reasonably be expected to result in a Material Adverse Effect.

5.8 Brokers or Finders. No Seller Party nor their respective agents has engaged any finder or broker or incurred any Obligation or Liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions in connection with this Agreement and the Contemplated Transactions.

5.9 Real Property and Personal Property.

(a) The Company does not, and for the past three years has not, owned any Real Property. All Real Property used by the Company is leased pursuant to those real estate leases set forth on Schedule 5.9(a) (the "Real Property Leases"). The Company has not breached any Real Property Lease, or violated any applicable Law, condemnation, assessment or any similar action, relating to any Real Property or the operation thereof.

(b) All Personal Property is in good operating condition and repair (subject to normal wear and tear). As of the Closing, all Personal Property that is owned by the Company will be free and clear of any Lien. No Person other than the Company owns any Personal Property situated on the Real Property, except for (i) items leased or licensed by the Company or improvements to items leased or licensed by the Company, and (ii) personal property of the Company's employees or visitors which is not required for the operation of the Company's Business.

5.10 Contracts.

(a) Schedule 5.10(a) is a true and complete list of all of the following material Contracts of the Company (the "Material Contracts"):

- (i) All written or oral employment or consulting Contracts pursuant to

which services are rendered to the Company;

(ii) All Contracts under which the Company is or the Company's Business or Buyer will after the Closing be restricted from carrying on any business or other activities anywhere in the world;

(iii) All Contracts to purchase, lease, or sell assets or services having a fair market value in excess of \$25,000;

(iv) All Contracts (including organization, partnership and joint venture agreements) under which (A) the Company has any liability or obligation for debt or constituting or giving rise to a guarantee of any liability or obligation of any Person or (B) any Person has any liability or obligation constituting or giving rise to a guarantee of any liability or obligation of the Company, or any liability or obligation to the Company, in each case involving any debt or liability in excess of \$25,000 individually or \$50,000 in the aggregate;

(v) The Real Property Leases;

(vi) All Contracts with Processors, sponsor banks, independent sales organizations, or Referral Sources;

(vii) All Contracts involving aggregate annual consideration payable to the or from the Company in excess of \$10,000;

(viii) All Contracts which grant a third party a right of exclusive dealing with the Company, a right of first refusal, right of first offer, or similar option right, for any of the Shares or the assets of the Company; and

(ix) All Contracts necessary to operate the Company's Business as it is currently being conducted.

(b) No material breach or default in performance by the Company under any of the Material Contracts has occurred or is continuing, and, to the Knowledge of Company, no event has occurred, which with notice or lapse of time or both would constitute such a material breach or default. No Seller Party has given or received from any other Person any notice or other communication regarding any actual, alleged or potential material breach or default under the Material Contracts. To the Knowledge of Company, no material breach or default by any other Person under any of the Material Contracts has occurred or is continuing, and no event has occurred which with notice or lapse of time or both would constitute such a material breach or default.

(c) Other than as set forth on Schedule 5.10(a), there are no renegotiations of, or attempts to renegotiate, or outstanding rights to renegotiate, any material amounts paid or payable to or by the Company under any Contracts.

(d) So long as the Required Consents are obtained, there is no reasonable basis upon which any party to any Contract may object to: (i) the assignment to Buyer of any right under such Contract; or (ii) the delegation to or performance by Buyer of any obligation under such

5.11 Intellectual Property. Schedule 5.11 sets forth a true, correct, and complete list, as of the date hereof, of all:

(a) Intellectual Property and computer software used by the Company (excluding software provided under “click-wrap” or “shrink-wrap” agreements). The Company has the right to use, free and clear of any royalty or other payment obligations, claims of infringement or other claims or Liens, all marks, names, trademarks, service marks, patents, patent rights, assumed names, logos, trade secrets, copyrights, web domains, web pages, web sites, trade names and service marks used by the Company. The Company owns or has a valid and enforceable right to use all computer software, programs and similar systems owned by or licensed or used by the Company. The Company is not in conflict or in violation or infringement of, nor has the Company received any written notice of any claim or assertion thereof by any other Person with respect to any Intellectual Property or any computer software, programs or similar systems; and

(b) Licenses of Intellectual Property from the Company to any third party (other than non-exclusive licenses granted to customers in the ordinary course of business), the absence of which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Company and/or the conduct of the Company’s Business as currently conducted or planned to be conducted.

5.12 Title to and Sufficiency of Assets. The Company has good and valid title to, or a valid leasehold interest in, all of the tangible properties and assets, real, personal and mixed, used or held for use in by the Company. All such properties and assets (including leasehold interests) are free and clear of Liens and such properties and assets collectively constitute all of the properties, rights, interests and other tangible and intangible assets necessary for the conduct of, or that are primarily used in or held for use for, the Company’s Business as it is currently being conducted and is currently proposed to be conducted by Buyer.

5.13 Compliance; Approvals.

(a) The Company has all Licenses that are required by Law to carry on the Company’s Business currently being conducted and own and use its assets, each of which is set forth on Schedule 5.13(a). The Company is and has been in compliance in all material respects with each such License. To the Knowledge of Company, no event has occurred or circumstance exists that (with or without notice or the lapse of time) may constitute or result directly or indirectly in a violation of or failure to comply with any term or requirement of any License.

(b) The Company is, and at all times has been, in compliance with all Laws in all material respects. To the Knowledge of Company, no event has occurred or circumstance exists that (with or without notice or lapse of time) (i) constitutes or may result in a material violation by the Company of, or a failure on the part of the Company to comply in any material respect with, any Law, or (ii) may give rise to any obligation on the part of the Company to undertake, or to bear all or any portion of the costs of, any remedial action of any nature.

(c) The Company is in good standing with its Processors and the Payment Networks and is in compliance in all material respects with the Rules. There is no investigation,

proceeding or disciplinary action (including fines) pending, taken, or, to the Knowledge of Company, threatened against the Company, agents of the Company or any Referral Source by a Payment Network or its applicable agent, whether relating to an alleged violation of the Rules or otherwise and no consent of the Payment Networks is required to consummate the Contemplated Transactions.

(d) The Company has at all times been in compliance with the Bank Secrecy Act and other money laundering Laws administered any applicable Governmental Authority (collectively, the “Money Laundering Laws”), and Proceeding by or before any Governmental Authority or any arbitrator involving the Company with respect to the Money Laundering Laws is pending, or to the Knowledge of Company, threatened.

5.14 Legal Proceedings: Orders.

(a) Except as set forth on Schedule 5.14(a), there is no Order, Proceeding, or notification regarding a Data Breach pending, or to the Knowledge of Company, threatened by or against, affecting or that otherwise relates to the Shares, the Company’s assets or the Company’s Business. To the Knowledge of Company, no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any Orders, Proceedings or notifications of Data Breaches against the Company.

(b) There are not now, and within the past three (3) years there have not been any material claims, actions or Proceedings pending, or threatened before any court or Governmental Authority initiated by the Company, against the Company or in respect of the Company’s Business or for which the Company would have liability in respect of the Company’s Business. There are no such claims, actions, Proceedings pending or, to the Knowledge of Company, threatened, challenging the validity of the Contemplated Transactions. The Company is not now, and has not been, a party to any injunction, Order, or decree restricting the method of the Company’s conduct of the Company’s Business or servicing of the Merchants. Seller Parties have provided to Buyer copies of all notices from any Governmental Authority (i) received by the Company or any Seller Party in writing or, (ii) to the Knowledge of Company, received in writing by the Company’s Processors or sponsor banks since January 1, 2014.

5.15 Employee Benefit Plans.

(a) Schedule 5.15(a) sets forth a true, complete and correct list of all Benefit Plans (i) which are currently maintained or contributed to by the Company, or (ii) with respect to which the Company has any liability or obligations to any current or former officer, employee, or service provider of the Company, or the dependents of any thereof, regardless of whether funded. With respect to each Benefit Plan, the Company has made available to the Buyer true, accurate and complete copies of each of the following: (i) if the plan has been reduced to writing, the plan document together with all amendments thereto, (ii) if the plan has not been reduced to writing, a written summary of all material plan terms, (iii) if applicable, copies of any trust agreements, custodial agreements, insurance policies, administrative agreements and similar agreements, and investment management or investment advisory agreements, (iv) copies of any summary plan descriptions, employee handbooks or similar employee communications, (v) in the case of any plan that is intended to be qualified under Code Section 401(a), a copy of the most recent

determination, notification, or opinion letter from the IRS and any related correspondence, and, if applicable, a copy of any pending request for such determination, (vi) in the case of any funding arrangement intended to qualify as a VEBA under Code Section 501(c)(9), a copy of the IRS letter determining that it so qualifies, (vii) in the case of any plan for which Forms 5500 are required to be filed, a copy of the two most recently filed Forms 5500, with schedules attached, (viii) actuarial valuations and reports related to any Benefit Plans with respect to the most recently completed plan years; and (ix) the most recent nondiscrimination tests performed under the Code.

(b) The Company has not been materially liable at any time in the past 6 years for contributions to a plan that is or has been, at any time in the past 6 years, subject to Section 412 of the Code, Section 302 of ERISA and/or Title IV of ERISA. There is no multiemployer plan (as defined in Section 3(37) or Section 4001(a)(3) of ERISA) under which the Company has any present or future liability. In the past 6 years the Company has not sponsored or contributed to or been required to contribute to a multiemployer plan or to a multiple employer welfare arrangement (as defined in Section 3(40) of ERISA).

(c) With respect to each of the Benefit Plans, neither the Company nor any ERISA Affiliate has (i) engaged in a prohibited transaction, (ii) breached any fiduciary duty or (iii) violated any Law applicable to the Benefit Plans and related funding arrangements. Each Benefit Plan intended to be qualified under Section 401(a) of the Code has a current favorable determination letter as to its qualification or the sponsor of the Benefit Plan may rely on the IRS notification or advisory letter to the sponsor of any prototype plan or volume submitter used to document the terms of such Benefit Plan as to the tax-qualified status of such Benefit Plan, and no event has occurred which would reasonably be expected to cause any such Benefit Plan to become disqualified for purposes of Section 401(a) of the Code. Each Benefit Plan has been operated in compliance in all material respects with applicable Law, including the Code and ERISA, and in accordance with its terms. All benefits, contributions (including employee salary deferrals) and premium payments, required to be made under the terms of any of the Benefit Plans as of the date of this Agreement have been timely paid, accrued, or, if not yet due, have been (or will be) properly reflected on the Financial Statements.

(d) All required reports, Tax Returns, documents and plan descriptions of the Benefit Plans have been timely filed with the Internal Revenue Service and the U.S. Department of Labor and/or, as appropriate, provided to participants in the Benefit Plans. No Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or is currently the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction, or similar program sponsored by any Governmental Authority that has not been resolved as of the date hereof. There are no material pending claims, lawsuits or actions relating to any Benefit Plan (other than ordinary course claims for benefits) and, to the Knowledge of Company, none are threatened.

(e) The consummation of the Contemplated Transactions will not accelerate the time of vesting or payment, trigger any payment or funding, or increase the amount, of compensation or benefits to any employee, officer, former employee or former officer of the Company or trigger any other material obligation pursuant to any Benefit Plan. No Benefit Plans or other Contracts or arrangements to which the Company is a party provide for payments that would be triggered by the consummation of the Contemplated Transactions that would subject any

current or former employee or service provider of the Company to excise tax under Section 4999 of the Code, and the Company has not made any payments, is not obligated to make any payments and is not a party to any agreement that would reasonably be expected to obligate it to make any payments to any current or former employee or other service provider of the Company that will not be deductible under Section 280G of the Code.

(f) To the extent applicable, the Company has complied in all material respects with the continuation coverage provisions of COBRA and any applicable state statutes mandating health insurance continuation coverage for employees. Seller Parties have provided to Buyer a list of all current and former employees of the Company and their beneficiaries who are eligible for and/or have elected continuation coverage under COBRA or have otherwise confirmed that there are no such eligible individuals. No Benefit Plan provides for, and no written or oral agreements have been entered into by the Company promising or guaranteeing, the continuation of medical, dental, vision, life or disability insurance coverage for any current or former employees of the Company or their beneficiaries for any period of time beyond the termination of employment (except to the extent of coverage required under COBRA). Other than as required under COBRA or other applicable Law, no Benefit Plan or other arrangement provides post-termination or retiree welfare benefits to any individual for any reason.

(g) Each Benefit Plan that is subject to Section 409A of the Code has been administered in material compliance with its terms and the operational and documentary requirements of Code Section 409A and all applicable regulatory guidance (including, notices, rulings and proposed and final regulations) thereunder. The Company does not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Code Section 409A.

(h) There has been no amendment to, announcement by the Company relating to, or change in employee participation or coverage under, any Benefit Plan that would materially increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year with respect to any director, officer, employee, consultant or independent contractor of the Company, as applicable.

5.16 Employee Relations.

(a) Schedule 5.16(a) contains a list of all of the employees of the Company, their current salary or wage rates, bonus and other compensation, including stock options and stock grants, benefit arrangements, accrued sick days, accrued paid time off, allowed vacation days and holidays, period of service, location, department and a job title or other summary of the responsibilities of such employees. Schedule 5.16(a) also indicates whether such employees are part-time, full-time or on a leave of absence and the type of leave. Company has, at all times, complied with all state and federal wage and hour Laws, including, but not limited to, properly classifying employees as exempt or non-exempt from overtime and minimum wage requirements and properly classifying workers as independent contractors rather than employees where applicable. All employees are employees at-will, unless otherwise specified on Schedule 5.16(a). The Company is not delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed for it or any other amounts required to be reimbursed to such employees (including accrued paid time off, accrued

vacation, accrued sick leave and other benefits) or in the payment to the appropriate Governmental Authority of all required Taxes, insurance, social security and withholding thereon.

(b) No retention payments, severance payments, change in control payments or other similar compensation or benefits are due or will be made to any employees, agencies or independent contractors of the Company in connection with the Contemplated Transactions. The Company has taken no actions prior to the Closing related to the foregoing that will subject it or Buyer to liability after the Closing. All employee bonuses or incentives relating to the period ending October 31, 2017, and all prior periods, have been paid in full and no bonus or incentive plan is currently in place for any Company employee.

5.17 Taxes.

(a) Seller and the Company have filed, on a timely basis, all Tax Returns required to be filed as of the Closing Date. All such Tax Returns are true, correct and complete in all material respects. Seller and the Company have paid all Taxes due in connection with such Tax Returns and shall timely pay any Taxes that have or may become due under applicable Law with respect to all Pre-Closing Periods (whether or not shown or required to be shown on any Tax Return). There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Seller or the Company. Seller and the Company have withheld or collected and paid over to the appropriate Governmental Authorities (or is properly holding for such payment) all Taxes required by Law to be withheld or collected with respect to all of their respective operations, including withholdings on payments to Seller or the Company for sales and use taxes. No claim has ever been made by any authority in a jurisdiction where Seller or the Company do not file Tax Returns that any of them may be subject to taxation in that jurisdiction.

(b) No audit or other proceeding by any United States Federal, state or local or foreign court, governmental or regulatory authority, or similar Person is pending or, to the Knowledge of Company, threatened with respect to any Taxes due from any of Seller or the Company or any Tax Return filed or required to be filed by, relating to or including Seller or the Company. There are no outstanding assessments or deficiencies for any Tax and, to the Knowledge of Company, none are presently threatened against Seller or the Company. There are no unexpired waivers of any statute of limitations with respect to any Taxes for which Seller or the Company may be liable. No Seller Party nor the Company has entered into any "reportable transaction" as defined in Treasury Regulation Section 1.6011-4(b). No federal income Tax Return that was filed by Seller or the Company contains, or was required to contain (to avoid a penalty, and determined without regard to the effect of post-filing disclosure), a disclosure statement under Section 6662 of the Code.

(c) Neither Seller nor the Company is a party to or bound by any tax allocation, tax indemnity or tax sharing agreement. No Seller Party nor the Company has ever been a member of an affiliated group filing a consolidated federal income Tax Return or a member of a combined, consolidated or unitary group for state, local or foreign Tax purposes.

(d) The Company has, at all times from the formation of the Company through the Closing, been taxed as a "C corporation" under Subchapter C of the Code.

(e) Seller is not a “foreign person” as that term is used in Section 1.1445-2 of the Treasury Regulations.

5.18 Environmental Matters.

(a) The Company is currently in compliance in all material respects with all Environmental Laws which compliance includes, but is not limited to, the possession by Company of all Licenses and other governmental authorization required under applicable Environmental Laws and in compliance in all material respects with the terms and conditions thereof to operate the Company’s Business as currently operated;

(b) There have been no actions, activities, circumstances, conditions, events or incidents that could form the basis of any material Environmental Claim against the Company, and the Company has no Knowledge of any such actions, activities, circumstances, conditions, events or incidents prior to its ownership or leasing of the Real Property or assets.

5.19 Affiliate Transactions. Except as set forth on Schedule 5.19, the Company has not been a party to any material business arrangement or relationship with any Seller Party within the past twelve (12) months, and no Seller Party nor any of their respective affiliates own any asset, tangible or intangible, that is used in the Company’s Business. Except as set forth on Schedule 5.19, no Seller Party nor any of their respective affiliates own, or in the last twelve (12) months has owned, of record or as a beneficial owner, an equity interest or any other financial or profit interest in any Person that has had business dealings or a material financial interest in any transaction with the Company. The Company has not made any non-payroll distributions to any of its shareholders within the last twelve (12) months and there are no rights, agreements or arrangements of any character which require the Company to make any non-payroll distribution to any of its shareholders, whether before or after Closing.

5.20 Insurance. Schedule 5.20 includes a list of all insurance policies maintained by or for the benefit of the Company with respect to the Company’s Business. Schedule 5.20 sets forth each policy’s applicable deductibles, coverage limits and whether or not the insurance policies provide coverage on an occurrence basis. All of such policies are in full force and effect with no premium arrearage. The Company has timely given to its insurers all notices required to be given under such insurance policies with respect to all of the claims and actions conferred by insurance, and no insurer has denied coverage of any such claims or actions. Except as set forth on Schedule 5.20, the Company has not (a) received any written notice or other communication from any such insurance company cancelling or amending any of such insurance policies, and, to the Company’s Knowledge, no such cancellation or amendment is threatened, or (b) failed to give any required notice or to present any claim which is still outstanding under any of such policies with respect to the Company’s Business.

5.21 Reseller Arrangements.

(a) Agreements with Merchants.

(i) Attached to Schedule 5.21(a)(i) are true and correct copies of the forms upon which (A) any agreements with or applications from Merchants or (B) any currently effective Merchant Agreements are based. Except as provided on Schedule 5.21(a)(i), there have

been no material deviations from such forms in any such currently effective Merchant Agreement. Copies of the ten (10) largest Merchant Agreements, as measured both by sales volume and by revenue generated during the twelve (12) months prior to Closing, have been provided to Buyer.

(ii) With respect to the Merchants, whether as a result of the Contemplated Transactions or otherwise, none of the Merchant Agreements obligate or will obligate the Company (by the terms of any of such Contracts, or at the option of the other party to such Contracts) to (A) make a lump sum payment in lieu of any future stream of revenue or otherwise, (B) acquire or assume any asset or liability, (C) offer a right of first refusal or similar preferential right in favor of such Merchant or (D) pay ongoing residuals, commissions or fees to any third party.

(b) Ownership of Merchant Agreements. The holds all ownership rights to the Merchant Agreements and the Company's rights in respect of all Merchant Agreements are free and clear of all Liens.

(c) Material Merchants. Schedule 5.21(c) provides a list of each Merchant that on an annual basis for the calendar year 2016 was among the top twenty (20) Merchants of the Company in revenue (to the Company), of all Merchants (a "Material Merchant"). There is no existing dispute between the Company and a Material Merchant and, to the Knowledge of Company, no Material Merchant intends to terminate its Merchant Agreement whether as a result of the consummation of the Contemplated Transactions or otherwise. There are no Material Merchants that receive services from the Company, or in respect of whom the Company receives payments, that are not a party to a Merchant Agreement.

(d) The Company has at all times received satisfactory annual evaluations under the NCR Reseller Agreement and maintained, complied with or achieved, as applicable, any certification requirements, sales quotas or other ongoing performance metrics described or required under the NCR Reseller Agreement or any other agreement or arrangement between the Company and any third party.

5.22 Inventory. All inventory of the Company, whether or not reflected in the Financial Statements, consists of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established. All such inventory is owned by the Company free and clear of all Liens, and no inventory is held on a consignment basis. The quantities of each item of inventory (whether raw materials, work-in-process or finished goods) are not excessive, but are reasonable in the present circumstances of the Company.

5.23 Privacy.

(a) The Company is and has been in compliance with: (i) all applicable Privacy Laws, (ii) all of the Company's policies regarding privacy and data security and (iii) all contractual commitments that the Company has entered into with respect to Personal Information. Buyer acknowledges and agrees that Company makes no representations or warranties regarding the compliance of any other Person with Privacy Laws.

(b) The Company has commercially reasonable safeguards in place to protect any Personal Information in its possession or control from unauthorized access, including by its employees, contractors and consultants.

(c) The Company has not made any illegal or unauthorized use of Personal Information that was collected by or on behalf of the Company.

(d) The transfer, if any, of Personal Information in connection with the transactions contemplated by this Agreement will not violate any Privacy Laws. The Company is not subject to any contractual requirements, privacy policies or other legal obligations that, following the Closing, would prohibit the Company or Buyer or any of its affiliates from receiving or using Personal Information in the manner in which the Company receives and uses such Personal Information prior to the Closing.

(e) The Company has not received any notice of any claims against the Company or been charged with the violation of any Privacy Laws. To the Knowledge of Company, the Company has not been and is not under investigation with respect to any violation of any Privacy Laws or applicable privacy policies, and there are no facts or circumstances which could form the basis for any such violation.

(f) There have been no Data Breaches involving the Company and/or any Personal Information in the possession of the Company.

5.24 Referral Sources.

(a) Referral Source Contracts. Attached as Schedule 5.24(a) are true and correct copies of the forms upon which any currently effective agreements with a Referral Source are based.

(b) Referral Source List. Schedule 5.24(b)(i) sets forth the name of each Referral Source who has received payments from the Company in the last three years and (ii) sets forth a complete list of agreements between the Company and the Referral Sources. Next to each Referral Source name, Schedule 5.24(b) sets forth, for the period beginning January 1, 2014, the size of the payments made from the Company to each Referral Source and the aggregate volume of payments made by Merchants of each Referral Source.

(c) Disputes. Except for as described on Schedule 5.24(c), there is no existing dispute between the Company and any Referral Source and, to the Knowledge of the Company, no Referral Source intends to terminate its agreement with the Company or materially reduce its referral volume as a result of the consummation of the Contemplated Transactions or otherwise.

5.25 Data Security.

(a) To the Knowledge of Company, no Person has gained unauthorized access to any computers, computer software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, or other information technology equipment, and associated documentation used by or on behalf of the Company or its affiliates or any Processor or service provider of the Company or its affiliates or any data stored thereon (including any Merchant data,

Personal Information, or cardholder data) (a “Data Breach”). None of the Company, its affiliates or, to the Knowledge of Company, any Processor or Merchant, has received a “common point of purchase”, “point of compromise” or similar notice, letter or inquiry relating to the Company’s Business.

(b) The Company is not required to be in compliance with the Payment Card Industry Data Security Standards because it does not store, transmit or process “cardholder data” or “sensitive authentication data” (as such terms are defined in the Payment Card Industry Data Security Standards).

(c) Each Company Product that is required to be validated under the Payment Application Data Security Standards is so validated.

5.26 Debt Collection. The Company does not provide, and has not provided or marketed, services to any Merchant that imposes convenience fess and/or similar fees where state law prohibits the collection of such convenience or similar fees. The Company does not provide, and has not provided or marketed, services to any Merchant involved in debt collection where any such Merchant imposes convenience fees where the agreement creating the applicable consumer debt does not expressly authorize the collection of such fees.

5.27 Solvency. Immediately after giving effect to the Closing and the Contemplated Transactions, Seller (a) will be able to pay its debts as they become due and shall own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent Liabilities) and (b) shall have adequate capital to carry on its business. No transfer of property is being made and no obligations are being incurred in connection with the Contemplated Transactions with the intent to hinder, delay or defraud either present or future creditors of any Seller Party, the Company or any of its subsidiaries. Seller Parties acknowledge that the Shares are being transferred to Buyer or an affiliate of Buyer in exchange for reasonably “equivalent value,” as such term or similar terms are used in any potentially applicable fraudulent conveyance Laws.

5.28 Disclosure. Neither this Agreement, including all Exhibits and Schedules hereto, nor the other documents delivered in connection with the Contemplated Transactions, including the information provided in diligence, in each case except as disclosed to Buyer in writing, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make such statement, document or other instrument not misleading. No other documents or instruments heretofore or hereafter furnished by any Seller Party or the Company to Buyer, its affiliates or its agents in connection with transactions contemplated hereby contains or will contain any such untrue statement or omission of a material fact.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as of the Closing Date, as follows:

6.1 Corporate Status. Buyer (a) is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware, and (b) has all requisite corporate power and authority to carry on its business as now and heretofore conducted and to own, operate and

lease its properties, and (c) is duly qualified or licensed to transact business in and is in good standing as a foreign corporation in all jurisdictions where Buyer is required to be qualified or licensed to do business as a foreign corporation.

6.2 Corporate Authorization; Binding Effect. Buyer has full corporate power and authority to execute and deliver the Transaction Documents and to perform its obligations thereunder. The Transaction Documents and performance and consummation of the Contemplated Transactions are and have been approved by all requisite corporate action of Buyer. No other corporate or legal proceedings on the part of Buyer are necessary to approve or authorize the execution and delivery of the Transaction Documents and the consummation of the Contemplated Transactions. The Transaction Documents have been duly executed and delivered by Buyer and, assuming due authorization, execution and delivery of the Transaction Documents by each Seller Party, each Transaction Document is the valid and legally binding obligation of Buyer, enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and limitations on enforcement of equitable remedies.

6.3 No Conflict. Buyer's execution, delivery and performance of the Transaction Documents and consummation of the Contemplated Transactions and compliance with any of the provisions thereof will not (i) violate any Law to which Buyer may be subject, (ii) conflict with or result in a breach of any provision of the Certificate of Incorporation or Bylaws of Buyer, (iii) require any consent, approval or authorization of, or notice to, or declaration, filing or registration with, any Governmental Authority that is required by Law or the regulations of any Governmental Authority, (iv) violate any Order of any Governmental Authority to which Buyer may be subject, (v) violate, or conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or result in the creation of any Lien upon any of the properties of Buyer or result in being declared void, voidable, without further binding effect, or subject to amendment or modification any of the terms, conditions or provisions of, any contract, license, franchise, permit, or other material instrument or commitment or obligation to which Buyer may be bound or affected.

6.4 Brokers and Finders. Neither Buyer nor its agents has engaged any finder or broker or incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions in connection with this Agreement and the Contemplated Transactions.

ARTICLE VII COVENANTS OF SELLER PARTIES

7.1 Notices and Consents. To the extent that Seller Parties have not obtained all necessary Licenses, consents, waivers or other authorizations or approvals or Required Consents (collectively, "consents") from any Governmental Authority or any private third-party as of the Closing and the Parties nonetheless elect to close, then upon request by Buyer, Seller Parties shall use their commercially reasonable efforts to: (a) obtain such consents as soon as practicable post-Closing, (b) cooperate with Buyer in any reasonable and lawful arrangements under which Buyer would obtain the benefit of the matter concerned; and (c) enforce for the account of Buyer any rights of Seller Parties arising from the matter concerned. Each Seller Party shall be jointly and

severally liable for any costs incurred for obtaining such consents, including any payments required by consenting parties. If any consent cannot be obtained, Buyer and Seller Parties will reasonably cooperate in any legal and commercially reasonable arrangement to obviate the need for that consent.

7.2 Tax Matters.

(a) Seller shall be responsible for paying all capital gains, income, transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the sale of the Shares and the consummation of the transactions contemplated by this Agreement, and Seller shall be responsible for preparing and filing any Tax Returns in connection therewith.

(b) Seller shall be liable for and shall pay all Taxes in respect of or relating to the Company, the Shares, the Company's assets or the Company's Business for any Pre-Closing Period. Taxes with respect to any period that begins before and ends after the Closing Date shall be allocated to the Pre-Closing Period (i) on a per diem basis in the case of real and personal property Taxes and (ii) on the basis of an interim closing of the books at the end of the Closing Date in the case of all other Taxes.

(c) After the Closing, Seller and Buyer shall (and shall cause their respective affiliates to):

(i) Make available to the other and to any taxing authority, as reasonably requested, all information, records, and documents with respect to Taxes relating to the Company's Business or the Company's assets and preserve that information and those records and documents until the expiration of any applicable statute of limitations, including any extensions of that statute of limitations;

(ii) Provide timely notices to the other Party in writing of any pending or threatened Tax audits or assessments relating to the Company's Business or the Company's assets for taxable periods for which the other party may have a responsibility under this Section 7.2 or otherwise; and,

(iii) Furnish the other Parties with copies of all correspondence received from any taxing authority in connection with any Tax audit or information request with respect to any taxable period for which the other party may have a responsibility under this Section 7.2 or otherwise.

(d) Notwithstanding any other indemnification provision in this Agreement, Seller Parties agrees to, jointly and severally, indemnify, defend and hold harmless Buyer Indemnified Parties from and against any and all Damages that Buyer Indemnified Parties incur as a result of, or with respect to any (i) Taxes of or imposed on Seller; (ii) Taxes of or imposed upon the Company with respect to any Pre-Closing Period; (iii) Taxes imposed on the Company under Treasury Regulations Section 1.1502-6 (and corresponding provisions of state, local, or foreign Law) as a result of having been a member of any federal, state, local or foreign consolidated, unitary, combined or similar group for any taxable period ending on or before, or that includes,

the Closing Date, or as a transferee or successor by contract or arrangement or pursuant to Law, or otherwise; (iv) any breach by Seller of any of the covenants and obligations contained in Section 7.2 of this Agreement; and (v) the breach or inaccuracy of the representations and warranties set forth in Section 5.17 of this Agreement. Any indemnity payment under this Agreement shall be treated by Seller and Buyer as an adjustment to the Purchase Price for U.S. federal income tax purposes. Any indemnity payment required to be made pursuant to this Section 7.2(d) shall be paid within fifteen (15) days after the Indemnified Party makes written demand upon the Indemnifying Party and provides reasonable evidence in support of such claim for Damages. In no event shall the indemnities provided for in this Section 7.2(d) be subject to the provisions of Article IX of this Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement, each of the provisions set forth in this Section 7.2 shall survive until sixty (60) days after the expiration of the applicable statute of limitations (taking into account all valid extensions) for the applicable Taxes or Tax Return to which the provision relates; provided, however, in the event notice of any claim for indemnification under this Agreement shall have been given within the applicable survival period, the provisions that are the subject of the indemnification claim shall survive with respect to such claims until such time as such claim is finally resolved.

7.3 Noncompetition; Nonsolicitation.

(a) During the period beginning on the Closing Date and ending two (2) years from the later of (i) last date of employment of Ality Richardson and Ashley Richardson, as applicable, with Buyer or an affiliate of Buyer or (ii) the last date on which Contingent Consideration is paid, if any, none of the Seller Parties will, without the prior written consent of Buyer, work with, provide services to, or own an interest in any business that competes directly or indirectly with the Company's Business, other than any such party's capacity as an employee or equity holder of Buyer or its affiliates. The foregoing agreement shall not be deemed to restrict the ownership by any Seller Party of up to three percent (3%) of any class of the outstanding capital stock of any corporation conducting a business similar to the Company's Business that is regularly traded on a national securities exchange. The consideration for this agreement is included in the Purchase Price.

(b) During the period beginning on the Closing Date and ending two (2) years from the later of (i) last date of employment of Ality Richardson and Ashley Richardson, as applicable, with Buyer or an affiliate of Buyer or (ii) the last date on which Contingent Consideration is paid, if any, none of the Seller Parties will, other than in furtherance of any such party's employment with Buyer, without the prior written consent of Buyer:

(i) hire, attempt to hire, solicit, induce, or attempt to solicit or induce any employee or independent contractor of Buyer (including Referral Sources) to leave Buyer's employment or to terminate his or her or its contractual and/or business relationship with the Company; provided, however, that general advertising not targeting Buyer's employees shall not be a breach of this Section 7.3(b)(i);

(ii) Call on or communicate with (except if such contact is not to the

business detriment of Buyer), or divert or solicit, any of the Referral Sources or Merchants;

(iii) work with or provide services related to the Company's Business to any Merchant or other customer of Buyer or any affiliate of Buyer; or

(iv) encourage or persuade any Merchant or other customer of Buyer or its affiliates not to enter into an agreement or to terminate an agreement with Buyer or its affiliates or to obtain similar services from a competitor of Buyer or its affiliates.

(c) The consideration for this Section 7.3 is included in the Purchase Price. The Parties specifically acknowledge and agree that the remedy at law for any breach of this Section 7.3 will be inadequate and that Buyer, in addition to any other relief available to it, may be entitled to temporary and permanent injunctive relief without the necessity of proving actual damage. In addition, notwithstanding the provisions of Article IX, Buyer may be entitled to recover, directly from any Seller Party, its actual damages as a result of a breach of Section 7.3. The rights and remedies of the Parties to this Agreement are cumulative and not alternative.

(d) During the period beginning on the Closing Date and ending two (2) years from the last date of employment of any Seller Party with Buyer or an affiliate of Buyer, neither Buyer nor any Seller Party will disparage another Party or any of its respective affiliates, members, directors, officers, employees or agents. For purposes of clarity, statements made by a Party in the context of a good-faith pursuit of a claim or action against the other Party in connection with this Agreement shall not give rise to a breach of this Section 7.3(d).

7.4 Post-Closing Financial Audit Cooperation. After the Closing, each Seller Party covenants and agrees to use its best efforts to assist and cooperate with Buyer and its accountants, independent auditors and other representatives (collectively the "Buyer Audit Representatives") in the preparation of audited balance sheets, statements of income and cash flows, together with all footnotes and related disclosures (collectively, the "Audited Financial Statements"). The cooperation of Seller Parties pursuant to this Section shall include (i) providing access to and copies of the Company's historic financial statements, records and any other information relevant to an audit of the Company and the Company's Business, (ii) assisting the Buyer Audit Representatives in understanding the Company's financial position as of and at the pre-Closing dates requested and the results of operations and cash flows for the pre-Closing periods specified by the Buyer Audit Representatives and (iii) making the Company's management available to respond to requests from the Buyer Audit Representatives or render any management representations reasonably necessary or relevant to the preparation of the Audited Financial Statements. Each Seller Party acknowledges that a purpose of the covenant contained herein is so the Company's financial statements might be consolidated with the financial statements of Buyer in conformity with United States generally accepted accounting principles and the SEC rules and guidance (including Regulation S-K) with respect to financial statements and financial reporting. As such, the Audited Financial Statements will be prepared in a form and substance suitable for inclusion on Form S-1 (or other eligible or successor form), and each Seller Party's standard of cooperation pursuant to this Section shall reflect each Seller Party's understanding of such purpose. For the avoidance of doubt, each Seller Party acknowledges and agrees that the Audited Financial Statements shall in no way affect, alter or be deemed to cure any inaccuracies in the representations and warranties of any Seller Party set forth in Articles IV and V. The Parties

acknowledge and agree that Buyer shall be liable for the out-of-pocket expenses incurred by Buyer in preparation of the Audited Financial Statements and will not seek reimbursement from Seller Parties for such expenses.

7.5 Seller Parties' Acknowledgement Regarding Calculation of Purchase Price. Each Seller Party acknowledges, agrees and covenants that (a) Buyer has relied on Seller Parties' representations regarding the current and future anticipated financial performance of the Company (including those representations set forth in Sections 5.5, 5.10, 5.21, and 5.24 (collectively, the "Financial Representations"); and (b) the Parties established the Purchase Price and the Contingent Consideration as a multiple of certain financial and performance metrics gleaned from the Financial Representations.

7.6 Tail Insurance. Seller Parties shall obtain, at their sole cost and expense, insurance for a period of five (5) years after the Closing Date ("Tail Insurance"), in form and substance substantially equivalent to the terms of the existing professional liability insurance policies of the Company, to insure against liabilities of the Company that arise prior the Closing Date where claims are made after the Closing Date. Such Tail Insurance shall have the effect of providing "occurrence based" coverage rather than existing "claims made" coverage. Such Tail Insurance shall be retroactive such that it covers all periods from the retroactive date of the first policy which should be included on the current policies through the Closing Date. The minimum coverage for such Tail Insurance shall be agreed upon by the Parties. Buyer and i3 Verticals, LLC shall be included as additional named insured entities in such Tail Insurance.

ARTICLE VIII COVENANTS OF BUYER AND BOTH PARTIES

8.1 Confidentiality. Seller Parties agree that the existence of this Agreement (including any reference to the transaction generally) and the terms and conditions hereof and the other Transaction Documents shall not be disclosed to any third party without prior written consent of the non-disclosing Party, and none of Seller Parties, nor any representative thereof shall distribute or provide access to this Agreement or the other Transaction Documents, or the contents or any part thereof, to any third party, except to a party's legal and financial advisors, lenders and accountants and in any case as required by Law or accounting practice or to allow attorneys to enforce or interpret the Agreement.

8.2 Post-Closing Access to Information.

(a) Seller Parties and Buyer acknowledge that subsequent to Closing each Party may need access to information or documents in the control or possession of the other Party for the purposes of concluding the Contemplated Transactions, audits, compliance with Laws and governmental requirements, and the prosecution or defense of third-party claims. Accordingly, Seller Parties and Buyer agree that until the later of the four (4) year anniversary of the Closing Date or the expiration of any applicable statute of limitations pertaining to Tax matters, to the extent permitted by Law, each will make reasonably available to the other's agents, independent auditors and/or governmental agencies upon written request and at the expense of the requesting Party such documents and information as may be available for periods prior and subsequent to Closing to the extent necessary to facilitate concluding the Contemplated Transactions, audits,

compliance with Laws and governmental requirements and regulations and the prosecution or defense of third-party claims. In addition, Seller Parties shall make available to Buyer, at Buyer's cost and expense, upon reasonable notice and during normal business hours, the Company's Books and Records to the extent not transferred to Buyer but necessary to Buyer in the preparation of Tax Returns.

(b) Upon request, each of the Parties shall cooperate with the other in good faith, at the requesting Party's expense, in furnishing information, testimony and other assistance in connection with any actions, Proceedings, arrangements, or disputes involving any of the Parties (other than in a dispute among such parties or entities) and based upon contracts, arrangements or acts of the Company or any Party hereto which were in effect or occurred prior to the Closing. Buyer shall cause to be provided any information or documents reasonably requested by the Company in connection with Tax or other disputes, settlements, investigations, Proceedings or other matters in respect of any period ending at or prior to the Closing. The Party requesting documents or information pursuant to this Section 8.2 shall pay all fees and expenses paid to unaffiliated third parties by the Party providing such documents or information in connection with providing such information or document.

8.3 Further Assurances and Cooperation, Misdirected Payments.

(a) Seller Parties shall, at any time and from time to time at and after the Closing, upon the request of Buyer, take any and all steps reasonably necessary and under any Seller Parties' control to place Buyer in possession and operating control of the Company and the Shares and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required to transfer and confirm more effectively to Buyer or to its successors or assigns, or to reduce to possession, any or all of such Shares and to carry out the purposes and intent of this Agreement. From and after the date of this Agreement, upon the request of any Party, the other Parties shall furnish such further information, execute and deliver such schedules, instruments, documents or other writings and take such actions as may be reasonably necessary or desirable to confirm and carry out and to fully effectuate the intent and purposes of this Agreement.

(b) After the Closing, if any Seller Party receives any payment, refund or other amount that is properly due and owing to Buyer, such Seller Party shall promptly remit or shall cause to be remitted, such amount to Buyer. After the Closing, if Buyer receives any amount properly due and owing to any Seller Party, Buyer shall promptly remit or shall cause to be remitted, such amount to such Seller Party.

ARTICLE IX INDEMNIFICATION

9.1 Survival. The representations and warranties made by each Seller Party in this Agreement shall survive the Closing Date and shall continue in full force and effect for a period of twenty four (24) months thereafter; provided, however, (i) each of the representations and warranties set forth in Article IV, Section 5.1 (Status), Section 5.2 (Authorization; Binding Effect), and Section 5.4 (No Conflicts) shall survive indefinitely, (ii) each of the representations and

warranties set forth in Section 5.18 (Environmental Matters) Section 5.9 (Real Property and Personal Property), Section 5.11 (Intellectual Property; Computer Software), Section 5.12 (Title to and Sufficiency of Assets), Section 5.25 (Data Security) and Section 5.23 (Privacy) shall survive for five (5) years following the Closing Date; and (iii) each of the representations and warranties set forth in Section 5.15 (Employee Benefit Plans) and Section 5.17 (Taxes) shall survive until sixty (60) days after the last day upon which any claim could be made against Buyer or the Company or could be made that would affect Buyer or the Company relating to such matters (the representations and warranties referenced in Section 9.1(i), Section 9.1(ii), Section 9.1(iii) and the Financial Representations being the “Fundamental Representations”). The representations and warranties made by Buyer in this Agreement shall survive the Closing Date and continue in full force and effect for a period of twenty four (24) months thereafter; provided, however, the representations and warranties set forth in Section 6.1 (Status) and Section 6.2 (Authorization, Binding Effect) shall survive indefinitely. The covenants and agreements made by the Parties in this Agreement shall survive indefinitely or for the period stated therein. In each case, the period from the date hereof until the last date on which a representation, warranty, covenant or other obligation survives shall be known as the “Survival Period Indemnification by Seller Parties.” Subject to the provisions herein set forth, Seller Parties agree to, jointly and severally, indemnify, defend and hold harmless Buyer Indemnified Parties from and against and shall pay to Buyer Indemnified Parties the amount of, or reimburse Buyer Indemnified Parties for, any and all Damages that Buyer Indemnified Parties incur as a result of, or with respect to (except as caused by the acts or omissions of any Buyer Indemnified Party, and whether or not in connection with any third-party claim):

(a) the inaccuracy or breach of (i) any Fundamental Representation or (ii) any other representation or warranty contained in or made pursuant to this Agreement, including the Schedules, supplements to the Schedules, any Transaction Document or other certificate or document delivered by any Seller Party pursuant to this Agreement;

(b) the non-compliance with or failure to perform any agreement or covenant of any Seller Party contained in or made pursuant to this Agreement;

(c) the claims of any broker, finder or other Person engaged by any Seller Party or the Company;

(d) any Benefit Plan established or maintained by the Company prior to the Closing Date or any severance payments due to employees of the Company terminated prior to the Closing Date;

(e) any event, matter or circumstance occurring, existing or relating to the ownership, operation or maintenance of the Company or the Company’s Business prior to the Closing Date, including any Excluded Liabilities;

(f) any Closing Date Indebtedness that is not properly identified by Seller or that is not otherwise deducted from the Purchase Price at Closing and remains owing after the Closing;

(g) the failure to obtain any Required Consent;

(h) any fraud, willful misconduct or criminal acts of any Seller Party, the Company, or any of such parties' officers, directors, members, shareholders, employees, agents and independent contractors prior to the Closing Date; and

(i) any claim asserted by a third party relating to or resulting from any of the foregoing items (a) through (h).

9.3 Indemnification by Buyer. Subject to the conditions and provisions herein set forth, Buyer agrees to indemnify, defend and hold harmless Seller Indemnified Parties from and against and shall pay to Seller Indemnified Parties the amount of, or reimburse Seller Indemnified Parties for, any and all Damages that Seller Indemnified Parties incur as a result of, or with respect to (except as caused by the acts or omissions of any Seller Indemnified Party, and, except with respect to Section 9.3(d), whether or not in connection with any third-party claim):

(a) the inaccuracy or breach of any representation or warranty contained in or made pursuant to this Agreement, including the Schedules, supplements to the Schedules, any Transaction Document or any other certificate or document delivered by Buyer pursuant to this Agreement;

(b) the non-compliance with or failure to perform any agreement or covenant of Buyer contained in or made pursuant to this Agreement;

(c) the claims of any broker, finder or other Person engaged by Buyer; and

(d) any (i) third-party claim made in connection with an event, matter or circumstance occurring or related to the ownership, operation or maintenance of the Company or the Company's Business or (ii) violation of Law resulting from a material deviation from the historic ordinary course operation of the Company or the Company's Business, in the case of (i) or (ii) above following the Closing Date; except, that any event, matter or circumstance (x) that could reasonably be expected to give rise to a Buyer indemnity claim against any Seller Party under Section 9.2 or (y) resulting from any act or omission of any Seller Party shall not be an event, matter or circumstance giving rise to a claim for indemnity under this Section 9.3(d).

9.4 Limitations. Any claim for indemnification must be asserted before the expiration of the applicable Survival Period set forth in Section 9.1; provided, however, in the event notice of any claim for indemnification shall have been given within the applicable Survival Period, the provisions that are the subject of the indemnification claim shall survive with respect to such claims until such time as such claim is finally resolved.

9.5 Indemnification Procedures.

(a) Whenever any indemnification claim shall arise in favor of a Person entitled to indemnification under this Article IX (the "Indemnified Party"), including the assertion of any claim or liability against such Indemnified Party by a third party in writing that would give rise to a claim under this Article IX, the Indemnified Party shall notify the Person giving the indemnity ("Indemnifying Party") in writing as soon as reasonably practicable but at least within thirty (30) days of (i) such Indemnified Party receiving actual knowledge of the facts constituting the basis for such indemnification claim, or, (ii) in the case of a third-party claim, receipt of a written third-

party assertion of a claim or liability. Failure to send such written notice shall not release the Indemnifying Party from liability hereunder, unless such failure materially prejudices the Indemnifying Party's defense of the claims that are the subject of the written notice.

(b) The Indemnifying Party shall have the right to defend a third-party claim and control the defense, settlement and prosecution of any litigation. Each Indemnified Party shall reasonably cooperate with the Indemnifying Party in any such litigation defense, settlement or prosecution, and the Indemnifying Party shall reimburse each Indemnified Party for the actual out-of-pocket expenses incurred by the Indemnified Party as a result of such cooperation. The Indemnified Parties shall have the right to approve defense counsel selected by the Indemnifying Party, which approval shall not be unreasonably withheld. The Indemnified Party shall be entitled to participate in the defense of such action, lawsuit, proceeding or claim, and employ separate counsel of its choice for such purpose, provided, however, that payment of the fees and expenses of such separate counsel shall be the responsibility of the Indemnified Party. If the Indemnifying Party, within ten (10) days after notice of such claim, fails to defend such claim, the Indemnified Party will (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such claim on behalf of, at the sole cost and expense of, and for the account and risk of the Indemnifying Party without impairing its right to indemnification hereunder. Anything in this Section 9.5 notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right, at its own cost and expense, to defend, compromise and settle such claim without impairing its right to indemnification hereunder, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, settle or compromise any claim or consent to the entry of any judgment that (a) provides for relief other than the payment of monetary damages, (b) does not include as an unconditional term thereof the giving by the claimant to the Indemnified Party a release from all liability in respect to such claim, or (c) contains an admission of liability or violation of Law. All Parties agree to cooperate fully as necessary in the defense of such matters.

9.6 Disregarding Materiality Exceptions. For purposes of (i) calculating the dollar amount of Damages to which an Indemnified Party is entitled under this Article IX, (ii) determining whether a breach of any such representation or warranty has occurred, the terms "material," "materiality," and other qualifiers, modifiers or limitations shall be disregarded.

ARTICLE X NOTICES

All notices and other communications hereunder shall be in writing and shall be given to the Parties via email, hand delivery, or nationally recognized and reputable overnight delivery service, addressed to the Parties as follows:

Buyer:	i3 Verticals, LLC 40 Burton Hills Boulevard Suite No. 415 Nashville, Tennessee 37215 Attention: Greg Daily
--------	--

with copies to: Frost Brown Todd LLC
150 Third Avenue South
Suite No. 1900
Nashville, Tennessee 37201
Attention: Howard W. Herndon
Facsimile: 615-251-5551
Email: HHerndon@FBTlaw.com

Seller Parties Ality Richardson, as Sellers' Representative
4903 Hawley Boulevard
San Diego, California 92116

with copies to: William H. Sauls
Attorney At Law
427 C Street, Suite 416
San Diego, CA 92101
Email: saulslaw@sbcglobal.net

Each such notice and other communication shall be deemed, for all purposes of this Agreement, to have been given and received (i) if given by email, when the email is transmitted to the Party's email address specified above and confirmation of complete receipt is received by the transmitting Party during normal business hours on any Business Day or on the next Business Day if not confirmed during normal business hours; (ii) if by hand, when delivered; (iii) if given by nationally recognized and reputable overnight delivery service, the Business Day on which the records of such delivery service show that such notice was delivered to the Party. Any Party from time to time may change its address or facsimile number for the purpose of receipt of notices to that Party by giving a similar notice specifying a new address or facsimile number to the other notice Parties listed above in accordance with the provisions of this Article X.

ARTICLE XI MISCELLANEOUS

11.1 Fees and Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay its own costs and expenses incurred in connection with the negotiation, preparation and performance of this Agreement and the other Transaction Documents, including the fees and expenses of its counsel, accountants, brokers and financial advisors whether or not such transactions are consummated.

11.2 Public Announcement. No Party shall, prior to or after the Closing, without the approval of the other Parties, issue any press release or other public announcement concerning this Agreement or the Contemplated Transactions. Notwithstanding the foregoing, nothing contained in this Section 11.2 is deemed to prohibit, limit or restrict communications by either Party with Governmental Authorities, Buyer's affiliates or lenders or Seller Parties' respective affiliates, customers and suppliers or any party to obtain the Required Consents regarding the Contemplated Transactions.

11.3 Entire Agreement. This Agreement (together with the Schedules and the other Transaction Documents) contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior oral discussions and written agreements with respect thereto (including any term sheet or similar agreement or document relating to the Contemplated Transactions). There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein and in the other Transaction Documents.

11.4 Right of Setoff. Upon prior written notice to Seller specifying in reasonable detail the basis therefor, Buyer shall have the right to withhold payment or offset (up to the amount of any good faith claim by Buyer) from any Contingent Consideration payable to Seller against any obligations and liabilities of any Seller Parties to Buyer under this Agreement; provided, however, that if it is ultimately determined by a court order or agreement of the Parties that the amount of Contingent Consideration withheld or offset exceeds the actual obligations and liabilities of the Seller Parties identified by Buyer in the written notice delivered in accordance herewith, then Buyer will promptly pay such excess amount to Seller, with interest calculated in accordance with Section 3.2(a).

11.5 Amendment and Waiver. This Agreement may be modified, supplemented or amended only by a written instrument duly executed by each of the Parties. Any term or condition of this Agreement may be waived at any time by the Party entitled to the benefit thereof. Any such waiver must be in writing and must be duly executed by such Party. All rights and remedies of the Parties to this Agreement are cumulative and not alternative. No failure or delay by any Party in exercising any right, power or privilege under this Agreement or the other Transaction Documents will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach, provision or requirement on any other occasion.

11.6 Counterparts; Electronic Signatures. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures on this Agreement by facsimile or other electronic imaging technology shall be deemed to be original signatures for all purposes.

11.7 Governing Law; Construction. This Agreement shall be governed by and interpreted, construed and enforced in accordance with the Laws of the State of Delaware applicable to a contract executed and performed in such state, excluding any conflicts of law, rule or principle that would refer the governance, interpretation, construction or enforcement of this Agreement to the Laws of another jurisdiction, and such application of Delaware law shall not be vitiated by any allegations of fraud. In as much as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, the Parties agree that no provisions of this Agreement or any related document shall be construed for or against or interpreted to the advantage or disadvantage of any Party hereto by any court or other Governmental Authority by reason of any Party's having or being deemed to have structured or drafted such provision, each Party having participated equally in the structuring and drafting

hereof.

11.8 Venue; Waiver of Jury Trial. To the fullest extent permitted by applicable Law, each Party hereto (a) agrees that any claim, action or Proceeding by such Party seeking any relief whatsoever arising out of, or in connection with, this Agreement or the Contemplated Transactions shall be brought only in any State or Federal courts located in Dallas County, Texas, and not in any other State or Federal court in the United States of America or any court in any other country, (b) agrees to submit to the exclusive jurisdiction of such courts for purposes of all legal Proceedings arising out of, or in connection with, this Agreement or the Contemplated Transactions, (c) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of any such Proceeding brought in such a court or any claim that any such Proceeding brought in such a court has been brought in an inconvenient forum, and (d) agrees that a final judgment in any such action or Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. Notwithstanding anything to the contrary contained in this Section 11.8, matters addressed in Section 3.2 shall be controlled by its arbitration procedures. **EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY, FROM WHATEVER SOURCE ARISING, IN CONNECTION WITH ANY LITIGATION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

11.9 Binding Effect; No Assignment; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, including successors by merger or otherwise. Neither this Agreement nor any right hereunder or part hereof may be assigned by any Party hereto without the prior written consent of the other Parties, except that Buyer may assign this agreement and its rights hereunder to an affiliate of Buyer or to a person or entity that acquires or otherwise succeeds to the Company's Business (whether by sale of assets, equity, merger, or otherwise). The terms and provisions of this Agreement are intended solely for the benefit of Seller Parties, Buyer and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third- party beneficiary rights upon any other Person.

11.10 Severability; Invalid Provisions. It is the intention of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the Laws and public policies of each state and jurisdiction in which such enforcement is sought, and that the unenforceability (or the modification to conform with such Laws or public policies) of any provision hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, (a) such provisions will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms and effect to such illegal, invalid or unenforceable provision as may be possible (or, in the alternative, should any provision contained in this Agreement be reformed or rewritten

by any Governmental Authority, such provision as so reformed shall be fully binding on the Parties as if originally a part hereof).

11.11 Interpretation. In this Agreement, unless the context otherwise requires:

(a) subject to the provisions of Section 11.9, references to any Party to this

Agreement shall include references to its respective successors and permitted assigns;

(b) the terms “hereof,” “herein,” “hereby,” and derivative or similar words will refer to this entire Agreement;

(c) the gender of all words herein shall include the masculine, feminine and neuter, and the case of all words herein shall include the singular and plural;

(d) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the Parties from time to time;

(e) the descriptive headings and numbers of the Articles, Sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement;

(f) the word “including” shall mean including without limitation; and

(g) all schedules and exhibits referred to in or attached to this Agreement are integral parts of this Agreement as if fully set forth herein, and all statements appearing therein shall be deemed to be disclosed only in connection with the specific representation to which they are explicitly referenced and not in any event for all and general purposes under the Agreement.

11.12 Specific Performance; Injunctive Relief. Each Party shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the obligations of the other Parties pursuant to this Agreement and the Transaction Documents not only by an action or actions for Damages, but also by an action or actions for specific performance, injunctive relief and/or other equitable relief, without posting any bond or other undertaking. The Parties acknowledge and agree that any breach or threatened breach of any post-Closing covenant by any Party will likely result in some irreparable injury.

11.13 Collateral Security. Buyer may, without the written consent of the other Parties, assign its rights under this Agreement and the other Transaction Documents for collateral security purposes to any lender providing financing to Buyer or any of their affiliates and any such lender may exercise all of the rights and remedies of Buyer hereunder and thereunder.

11.14 Appointment of Seller Parties’ Representative. Each of the Seller Parties hereby irrevocably appoints Ality Richardson (the “Sellers’ Representative”) as the sole and exclusive agent, proxy and attorney-in-fact for such Seller Parties for all purposes of this Agreement and all transactions, documents and other agreements contemplated herein, with full and exclusive power and authority to act on such Seller Party’s behalf as the Sellers’ Representative. Should Ality Richardson be unable, for any reason, to serve as the Sellers’ Representative Ashley Richardson

shall be appointed as the Sellers' Representative. The appointment of the Sellers' Representative hereunder is coupled with an interest, shall be irrevocable and shall not be affected by the death, incapacity, insolvency, bankruptcy, illness or other inability to act of any Seller Party. Without limiting the generality of the foregoing, the Sellers' Representative is hereby authorized, on behalf of the Seller Parties receive and give all notices and service of process, make all filings, enter into all contractual obligations, make all decisions, bring, prosecute, defend, settle, compromise or otherwise resolve all claims, disputes and actions, authorize payments in respect of any such claims, disputes or actions, and take all other actions directly or indirectly arising out of or relating to this Agreement and all transactions, documents and other agreements contemplated herein.

11.15 Acknowledgement of Seller Parties Review of this Agreement. Each of Ashley Richardson and Ality Richardson acknowledge that they have reviewed the terms of this Agreement, the Transaction Documents and the Contemplated Transactions and have agreed to the terms hereto and thereto, as applicable, after having the opportunity to negotiate and consult with counsel of their choosing regarding the same.

[Signature page follows.]

BUYER

i3-SDRC, INC

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Secretary

SELLER PARTIES:

ALITY R. RICHARDSON

ASHLEY J. RICHARDSON

DECLARATION OF TRUST dated May 27, 1999

Ality J. Richardson, Successor Trustee

IN WITNESS WHEREOF, the Parties have caused this Stock Purchase Agreement to be executed as of the date first above written.

BUYER

i3-SDRC, INC

By: _____
Name: _____
Title: _____

SELLER PARTIES:

ALITY R. RICHARDSON

/s/ Ality R. Richardson

ASHLEY J. RICHARDSON

/s/ Ashley J. Richardson

DECLARATION OF TRUST dated May 27, 1999

/s/ Ality J. Richardson

Ality J. Richardson, Successor Trustee

MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

BY AND AMONG

i3 VERTICALS, LLC

AS ACQUIROR,

FPI HOLDINGS, INC.

AS THE TRANSFEROR

AND

CRAIG SHAPERO

AS OWNER

CLOSING DATE: August 1, 2017

EFFECTIVE TIME: 12:01 a.m. Nashville, Tennessee time on August 1, 2017

ARTICLE I DEFINITIONS	2
ARTICLE II	10
PURCHASE, SALE AND CONTRIBUTION	10
2.1 Transfer of Interests	10
2.2 Consideration	10
2.3 Pre-Closing Distributions	11
2.4 Cash True-Up and Settlement Statement	11
2.5 The Closing	13
2.6 Actions of Transferor Parties at Closing	13
2.7 Actions of Acquiror at Closing	14
2.8 Allocation of Consideration	14
ARTICLE III REPRESENTATIONS AND WARRANTIES OF TRANSFEROR PARTIES	15
3.1 Authorization; Binding Effect	15
3.2 Non-contravention	15
3.3 Necessary Consents	15
3.4 Title to Interests	16
3.5 Capital Structure	16
ARTICLE IV	16
REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY	16
4.1 Status	16
4.2 Authorization; Binding Effect	16
4.3 Required Consents	17
4.4 No Conflict	17
4.5 Financial Statements; Owner Receivables	17
4.6 Undisclosed Liabilities	18
4.7 Absence of Certain Changes	18
4.8 Brokers or Finders	18
4.9 Real Property and Personal Property	18
4.10 Contracts	19
4.11 Intellectual Property	20
4.12 Title to and Sufficiency of Assets	20
4.13 Compliance; Approvals	20
4.14 Legal Proceedings; Orders	21
4.15 Employee Benefit Plans	21
4.16 Employee Relations	23
4.17 Taxes	24
4.18 Environmental Matters	25
4.19 Affiliate Transactions	25
4.20 Insurance	26
4.21 Merchants and Products	26

4.22	Privacy	26
4.23	Referral Sources	27
4.24	Data Security	27
4.25	Debt Collection	27
4.26	Solvency	28
4.27	No Other Representations or Warranties	28
ARTICLE V REPRESENTATIONS AND WARRANTIES OF ACQUIROR		28
5.1	Limited Liability Company Status	28
5.2	Limited Liability Company Authorization; Binding Effect	28
5.3	No Conflict	29
5.4	Brokers and Finders	29
5.5	No Other Representations or Warranties	29
ARTICLE VI COVENANTS OF TRANSFEROR PARTIES		29
6.1	Notices and Consents	29
6.2	Tax Matters	29
6.3	Noncompetition; Nonsolicitation	31
6.4	Post-Closing Financial Audit Cooperation	32
6.5	Termination of Non-Continuing Employees	33
ARTICLE VII COVENANTS OF ACQUIROR AND BOTH PARTIES		33
7.1	Confidentiality	33
7.2	Post-Closing Access to Information	33
7.3	Further Assurances and Cooperation, Misdirected Payments	34
7.4	Nondisparagement	34
ARTICLE VIII INDEMNIFICATION		34
8.1	Survival	34
8.2	Indemnification by Transferor Parties	35
8.3	Indemnification by Acquiror	36
8.4	Limitations	36
8.5	Indemnification Procedures	37
8.6	Disregarding Materiality Exceptions	38
8.7	Other Adjustments	38
ARTICLE IX NOTICES		39
ARTICLE X MISCELLANEOUS		40
10.1	Fees and Expenses	40
10.2	Public Announcement	40
10.3	Entire Agreement	40
10.4	Amendment and Waiver	41
10.5	Counterparts; Electronic Signatures	41
10.6	Governing Law; Construction	41
10.7	Venue; Waiver of Jury Trial	41

10.8	Binding Effect; No Assignment; No Third-Party Beneficiaries	42
10.9	Severability; Invalid Provisions	42
10.10	Interpretation	42
10.11	Time of Essence	43
10.12	Specific Performance; Injunctive Relief	43
10.13	Collateral Security	43

MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT (this "Agreement") is dated as of August 1, 2017, and is effective as of August 1, 2017 at 12:01 a.m. Nashville, Tennessee time (the "Effective Time") by and among i3 Verticals, LLC, a Delaware limited liability company ("Acquiror"), FPI Holdings, Inc., a Virginia corporation ("Transferor") and Craig Shapero, a resident of the Commonwealth of Virginia (the "Owner", together with Transferor, "Transferor Parties"). Together, Transferor Parties and Acquiror shall be referred to as the "Parties".

RECITALS:

WHEREAS, Fairway Payments Incorporated was organized as a corporation under the laws of the Commonwealth of Virginia in 2009;

WHEREAS, to facilitate the transactions contemplated in this Agreement, Fairway Payments Incorporated has, pursuant to the Virginia Stock Corporation Act, converted its status to a Virginia limited liability company and adopted the name Fairway Payments, LLC (the "Conversion") (upon Conversion, Fairway Payments, LLC being referred to as the "Company");

WHEREAS, as provided in the Virginia Stock Corporation Act (13.1-722.13), upon Conversion the Company is deemed to be the same entity without interruption and the assets of the Company remain with the Company without impairment;

WHEREAS, as of the date hereof, Transferor owns all of the issued and outstanding membership interests (the "Interests") of the Company; and

WHEREAS, the Company is engaged in the business of marketing, distributing and selling credit card, debit card, prepaid card, check acceptance, gift and loyalty card processing and other electronic payment processing services and products, including the referral of Merchants to SPS pursuant to the SPS Referral Agreement (the activities described in this paragraph as performed by the Company are collectively, the "Company's Business"); and

WHEREAS, simultaneously and as part of a single transaction, Transferor desires to (a) sell to Acquiror, and Acquiror desires to purchase from Transferor, a portion of the Interests (the "Purchased Interests"), and (b) contribute to Acquiror, and Acquiror desires to accept from Transferor, the balance of the Interests (the "Contributed Interests"), all on the terms and subject to the conditions of this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of setting forth their mutual understandings and agreements with respect to the foregoing.

NOW, THEREFORE, intending to be legally bound and in consideration of the foregoing premises, the representations and warranties, mutual covenants and other agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

**ARTICLE I
DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings set forth in this Article I unless the context clearly otherwise requires.

“Agreement” means this Membership Interest Purchase and Contribution Agreement, including the Exhibits and Schedules attached hereto.

“Arbitrator” means a party mutually acceptable to Acquiror and Transferor in good faith with experience in the merchant acquiring industry (or, if Acquiror and Transferor are unable to agree in good faith, then a single arbitrator selected pursuant to the JAMS Streamlined Arbitration Rules and Procedures).

“Acquiror” has the meaning set forth in the Preamble.

“Acquiror Indemnified Parties” means Acquiror and any of its affiliates and the equity holders, members, directors, managers, officers, employees, agents, representatives, successors and assigns and affiliates of any of the foregoing.

“Balance Sheet Date” means June 30, 2017.

“Benefit Plans” means material “employee benefit plans,” as defined in Section 3(3) of ERISA, all material benefit plans as defined in Section 6039D of the Code and the rules and regulations promulgated thereunder, and all other material stock purchase, stock option, equity- based, retention bonus, bonus, incentive compensation, deferred compensation, profit sharing, severance, change in control, supplemental unemployment, layoff, salary continuation, retirement, pension, health, life insurance, disability, group insurance, vacation, holiday, sick leave, fringe benefit, welfare and other employee benefit plans or employment (including severance and change in control) agreement, program, policy or other arrangement (whether formal or informal, oral or written, qualified or non-qualified, and whether or not subject to ERISA), including any funding mechanism therefor or otherwise, in each case which is maintained, administered, sponsored or contributed to by the Company and under which any employee or former employee of the Company has any present or future right to benefits.

“Books and Records” means the Company’s existing accounting, business, marketing, personnel, and other files, documents, instruments, papers, books and records, including, financial statements, budgets, ledgers, journals, deeds, titles, policies, manuals, Contracts, franchises, permits, supplier lists, reports, computer files and data, retrieval programs and operating data or plans.

“Business Day” means a day other than Saturday, Sunday, or any day on which the principal commercial banks located in the State of New York are authorized or obligated to close under the Laws of such state or the United States.

“Cash Consideration” has the meaning set forth in Section 2.2(a).

“Chargebacks” means all losses from chargebacks, ACH rejects, or similar losses, and all associated fines and fees as a result of card transactions ACH rejects, or other payments types, and all other similar losses.

“Closing” means the consummation of the Contemplated Transactions as provided in Article II.

“Closing Date” means the date of the Closing.

“Closing Date Indebtedness” means any Liability or indebtedness of the Company (whether or not contingent) existing or accrued as of the Closing Date (a) in respect of borrowed money or evidenced by notes, bonds, monies, debentures, mortgage, deeds of trust or similar instruments, (b) representing the balance deferred and unpaid of the purchase price of any property (including pursuant to capital leases and all seller notes and earn-out payments for which the Company is liable) but excluding ordinary course trade payables, (c) in respect of banker’s acceptances or letters of credit or similar credit or surety transactions (in each case, to the extent drawn), (d) representing net Liabilities under any interest rate, currency or other hedging arrangement and determined as if such instrument were terminated as of the Closing Date, (e) representing Liabilities under any deferred compensation arrangements, residual buyout agreements, phantom stock arrangements or similar arrangement and any Taxes payable in connection therewith (including the employer portion of any payroll, social security, unemployment or similar employer-side Tax imposed on such amounts) in respect of the Pre- Closing Period, (f) in respect of any off-balance sheet financing (but excluding capital leases, which are covered under clause (b) above), (g) for checks in transit and overdrafts, (h) for guarantees, direct or indirect, in any manner, of all or any part of any such indebtedness of any Person, (i) for accounts payable and all other current liabilities of the Company (including taxes, rebates, and other expenses of the Company that are accrued, withheld, or payable with respect to the Pre-Closing Period, including, expenses associated with the Contemplated Transactions including amounts payable to brokers), (j) in respect of any and all accrued vacation, sick, holiday, personal and time off pay, wages, severance or commissions accrued through the Closing Date owed to any employees or contractors of the Company, and (k) for each of clauses (a) through (j) above, any interest accrued thereon and prepayment or similar penalties and expenses which would be payable if such Liability were paid in full as of the Closing Date.

“Closing Memorandum” has the meaning set forth in Section 2.6(f).

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, Section 4980B of the Code, Title I, Part 6 of ERISA and the Public Health Service Act, together with all regulations promulgated thereunder.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“Company” has the meaning set forth in the Recitals.

“Company’s Business” has the meaning set forth in the Recitals.

“Consideration” has the meaning set forth in Section 2.2.

“Continuing Employees” means Brian Cohn, Stephanie Beardmore and Robert Schmid.

“Contemplated Transactions” means the transactions contemplated by this Agreement and the other Transaction Documents.

“Contracts” means all commitments, contracts, leases, subleases, licenses, sublicenses, subscriptions, agreements for rebates (whether or not free-standing or part of any of the foregoing) and other agreements of any kind relating to the Company’s Business or assets of the Company to which the Company is a party (or, solely with respect to Section 8.2(i), to which the Company or any Transferor Party is a party) or by which any of the assets are bound, in each case regardless of whether or not a written document is in force with respect thereto.

“Contributed Interests” has the meaning set forth in the Recitals.

“Covered Liabilities” means:

(a) With respect to any Contract, any Liability:

(i) arising, and which accrued or was due or dischargeable prior to the Effective Time;

(ii) resulting from any breach or default by the Company under any Contract outstanding or occurring at or prior to the Closing Date, or resulting from any event occurring before the Closing Date, which event with the giving of notice or the passage of time or both would result in a breach or default by the Company; or

(iii) arising from or related to the failure to obtain a Required Consent by the Closing Date unless Acquiror specifically waives in writing delivery of such Required Consent.

(b) all Liabilities arising out of any breach or default by the Company of any applicable Law or License, or any fee or penalty for the failure to obtain a License, in each case arising or resulting from any event occurring before the Closing Date;

(c) all Liabilities for Taxes for any period ending on or before the Effective Time relating to the Company’s Business, the Company or the Company’s assets and all Liabilities for Taxes of any affiliate of the Company, including Taxes resulting from the consummation of the Contemplated Transactions, except that all Liabilities for Taxes resulting from the Conversion or the restructuring steps immediately preceding the Conversion (including any tax elections filed with the IRS) shall be “Covered Liabilities” until the Closing Date;

(d) all Liabilities of the Company for Chargebacks as a result of transactions entered into prior to the Effective Time;

(e) any fines and fees associated with transactions occurring prior to the

Closing Date, including those relating to Chargebacks;

(f) all Liabilities arising prior to the Effective Time for salaries, bonuses, or any other form of compensation to any employees, agents, or independent contractors of the Company, and all Liabilities for severance, bonuses or any other form of compensation to any employees, agents, or independent contractors of the Company arising as a result of the Closing of the Contemplated Transactions, whether or not such employees, agents, or independent contractors employed by Acquiror after the Closing Date and whether or not arising or under any applicable Law, Benefit Plan, or other arrangement with respect thereto and all Liabilities for Taxes related to the foregoing;

(g) all Liabilities related to or arising out of any Benefit Plan incurred or relating to a period prior to the Closing Date and all Liabilities related to or arising out of the termination of any Benefit Plan if such terminations are initiated in connection with or immediately following the Contemplated Transactions, regardless of when incurred (such as funding requirements relating to termination of the Fairway Payments Defined Benefit Plan); and

(h) all Liabilities of the Company or relating to the operation of the Company or the Company's Business arising prior to the Effective Time, regardless of when any potential claims relating to such Liabilities are made or asserted.

For purposes of clarity, "Covered Liabilities" shall not include any item that is otherwise contemplated under Section 8.2(i).

"Damages" means losses, liabilities, damages, costs (including court costs and costs of appeal and including costs with respect to enforcement of an indemnity claim), Taxes and expenses (including reasonable attorney's fees), whether accruing before or after the expiration of any applicable Survival Period. "Damages" shall be exclusive of any punitive or special damages.

"Data Breach" has the meaning set forth in Section 4.24(a).

"Effective Time" has the meaning set forth in the Preamble.

"Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement" has the meaning set forth in Section 2.6(d).

"Environmental Claim" means any investigation or written claim, action, cause of action, or notice by any person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from: (a) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location owned or operated by the Company; or (b) circumstances forming the basis of any violation or alleged violation of any Environmental Law applicable to the Company or the Company's business.

"Environmental Laws" means as of the Closing Date, all applicable Laws relating to

pollution or protection of human health (as relating to the environment or the workplace) and the environment (including ambient air, surface water, ground water, land surface or sub-surface strata), including Laws relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relating to the use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern, including, but not limited to Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Clean Water Act, 33 U.S.C. § 1251 et seq., each as may have been amended or supplemented, and any applicable environmental transfer statutes or Laws.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any related company or trade or business that is required to be aggregated with the Company under Code Sections 414(b), (c), (m) or (o).

“Financial Statements” has the meaning set forth in Section 4.5.

“Fundamental Representations” has the meaning set forth in Section 8.1.

“Governmental Authority” means the government of the United States and any government of a state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the United States (including receivers or other agents appointed by any of the foregoing), any state of the United States or any political subdivision thereof, any tribunal or arbitrator(s) of competent jurisdiction and any self-regulatory organization.

“Indemnified Party” has the meaning set forth in Section 8.5(a).

“Indemnifying Party” has the meaning set forth in Section 8.5(a).

“Intellectual Property” means all: (i) trademarks, trade dress, service marks, certification marks, logos, slogans, trade names, brand names, corporate names, assumed names, business names and all other indicia of origin; (ii) issued patents and pending patent applications, and any and all divisions, continuations, continuations in part, reissues, continuing patent applications, re-examinations, and extensions thereof, design rights, utility models, discoveries and improvements, whether or not patentable; (iii) works of authorship and all other copyrightable works; (iv) trade secrets and know how; (v) computer software, including data files, source and object code, application programming, firmware, user interfaces, manuals, databases and other software related specifications and documentation; and (vi) domain names and uniform resource locators.

“Knowledge” for purposes of this Agreement:

- (a) An individual, including the Owner, will be deemed to have Knowledge of

a particular fact or other matter if (i) that individual is actually aware of the fact or matter or (ii) a prudent individual could be expected to discover or otherwise become aware of the fact or matter in the course of conducting a reasonable investigation regarding the accuracy of the statement, a representation or warranty made with respect thereto.

(b) Transferor will be deemed to have Knowledge of a particular fact or other matter if Craig Shapero has Knowledge of that fact or other matter (as set forth in (a) above) or should have Knowledge of such fact if acting in diligent pursuit of his responsibilities as a director or officer.

“Law” means the Rules and any statute, rule, regulation, code, ordinance, resolution, order, writ, injunction, judgment, decree, ruling, promulgation, policy, treaty, directive, interpretation or guideline adopted or issued by any Governmental Authority.

“Liability” means with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Licenses” means all licenses, franchises, accreditations and registrations, permits, approvals and consents (and all applications therefore) issued by any Governmental Authority or Payment Network in connection with the ownership, operation or development of any portion of the Company’s Business.

“Lien” means any mortgage, pledge, assessment, security interest, lien, adverse claim, levy, charge or other encumbrance of any kind, or any right of first refusal, conditional sale contract, option, title retention contract, or other contract to give or to refrain from giving any of the foregoing.

“Material Adverse Effect” means any event, change, effect or circumstance that has occurred that may have a material adverse effect upon the Company’s Business, assets, Liabilities, financial condition, or operating results; provided, however, that for purposes of this Agreement, a Material Adverse Effect shall not include the effect of (a) changes to the industry or markets in which the Company’s Business operates, (b) the announcement or disclosure of the transactions contemplated herein or the identity of Acquiror or its affiliates, (c) general economic, regulatory or political conditions or changes, (d) changes in or the condition of financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (e) military action or any act of terrorism, and (f) changes in Law after the date hereof; except (other than in the case of clause (b) above), to the extent such effect, development, occurrence, circumstance, state of facts or change that has a materially disproportionate and adverse impact on the Company or the Company’s Business, taken as a whole, relative to other participants in the industries in which the Company conducts its business.

“Material Contracts” has the meaning set forth in Section 4.10(a).

“Merchant” means a Person for whom processing services are provided by any Processor by virtue of a referral under which the Company receives compensation, whether under the SPS Referral Agreement or otherwise, including those set forth on Schedule 1.1(a).

“Merchant Agreement” means, for any Merchant, any agreement between such Merchant on the one hand and any Processor, including SPS, or a Referral Source on the other.

“Merchant Chargeback Losses” means all losses actually incurred by Acquiror from chargebacks under Section 9(a) of the SPS Referral Agreement.

“Offer Letter” has the meaning set forth in Section 2.6(e).

“Order” means a judgment, order, writ, injunction, decree, determination, or award of any Governmental Authority.

“Owner” has the meaning set forth in the Preamble.

“Parties” has the meaning set forth in the Preamble.

“Payment Network” means MasterCard International, Inc., Visa International, Inc., Visa USA, Inc., DFS Services LLC, American Express Travel Related Services, Inc., any affiliate of any of the foregoing and any other card association, debit card network or similar entity with whom the Company has a direct or indirect merchant or sponsorship relationship.

“Permitted Encumbrances” means (i) any Lien or other matter, encumbrance or defect approved in writing by Acquiror, (ii) any lease obligations of the Company disclosed herein and (iii) any statutory Lien for Taxes that are not yet due and payable.

“Person” means any individual, corporation, company, body corporate, association, partnership, firm, joint venture, limited liability company, trust or governmental agency.

“Personal Information” means information that, alone or in combination with other information, relates to a specific, identifiable individual person, including individual names, social security numbers, telephone numbers, home addresses, driver’s license numbers, account numbers, email addresses, internet protocol (IP) addresses, and vehicle registration numbers.

“Personal Property” means all tangible and intangible personal property used or held for use in connection with the Company’s business, including all equipment, furniture, fixtures, machinery, computers, appliances, telephones, switches, dialers, office furnishings, instruments, leasehold improvements, spare parts, all rights in all warranties of any manufacturer or vendor with respect thereto and rebates received in connection with inventory or any item described in this definition.

“Pre-Closing Period” means any taxable year or period (or a portion thereof) ending on or prior to the Closing Date.

“Privacy Laws” means all applicable Laws governing the receipt, collection, use, storage, processing, sharing, security, disclosure or transfer of Personal Information, including The Family Educational Rights and Privacy Act, The Children’s Online Privacy Protection Act, the Communications Decency Act and the Payment Card Industry Data Security Standard.

“Proceeding” means any arbitration, audit, hearing, investigation, subpoena, litigation, suit or other similar action by or before a Governmental Authority.

“Processors” means SPS or any other processors, acquirers or sponsor banks, or originator depository financial institutions either utilized by the Company or with whom the Company has a referral relationship.

“Purchased Interests” has the meaning set forth in the Recitals.

“Real Property” means all fee, leasehold and other interests in real property owned or leased by the Company, whether directly or indirectly, or otherwise used or held for use in connection with the Company’s business, together with all buildings, improvements and fixtures and construction in progress located thereupon and all appurtenances, rights of way and air, mineral or other rights related thereto.

“Real Property Lease” has the meaning set forth in Section 4.9(a).

“Referral Source” means any Person that refers Merchants to the Company and/or SPS, including the Persons specifically identified on Schedule 4.23(b).

“Rules” means the bylaws, regulations and/or requirements that are promulgated by the Payment Networks, Processors of the Company, NACHA or similar entities or organizations.

“Settlement Statement” has the meaning set forth in Section 2.4(a).

“SPS” means Sage Payment Solutions, Inc.

“SPS Referral Agreement” means the Amended and Restated Merchant Referral and Services Agreement, dated April 1, 2016, between the Company and Sage Payment Solutions, Inc.

“Survival Period” has the meaning set forth in Section 8.1.

“Taxes” means (i) any and all federal, state, local, foreign and other net income, gross income, gross receipts, capital gains, sales, use, ad valorem, unclaimed property, transfer, franchise, profits, license, lease, rent, service, service use, withholding, payroll, employment, excise, severance, privilege, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, social security, workers’ compensation, unemployment compensation or insurance, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, (ii) any liability for payment of amounts described in clause (i) as a result of transferee liability or otherwise through operation of law, and (iii) any liability for the payment of amounts

described in clauses (i) or (ii) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other Person.

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

“Transaction Documents” has the meaning set forth in Section 3.1.

“Transferor Indemnified Parties” means Transferor Parties, their affiliates and the stockholders, members, directors, managers, officers, employees, agents, representatives, successors and assigns and affiliates of any of the foregoing.

“Transferor Parties” has the meaning set forth in the Preamble.

ARTICLE II PURCHASE, SALE AND CONTRIBUTION

2.1 Transfer of Interests. As of the Effective Time, simultaneously and as part of a single transaction, (a) Transferor will sell, transfer and convey to Acquiror the Purchased Interests for the Cash Consideration set forth in Section 2.2(a), and Transferor will contribute to Acquiror the Contributed Interests in exchange for the Common Units described in Section 2.2(b), free and clear of all Liens.

2.2 Consideration. On the terms and subject to the conditions hereof, the aggregate consideration for the transfer of the Interests, subject to adjustment pursuant to the provisions of this Section 2.2 shall be as follows (collectively, the “Consideration”):

(a) Acquiror shall pay cash or otherwise immediately available funds in an aggregate amount equal to Thirty-Nine Million Dollars (\$39,000,000) (the “Cash Consideration”), to Transferor; and

(b) Acquiror shall cause 500,000 Common Units of Acquiror (the “Common Units”), to be issued to Transferor pursuant to the Subscription Agreement and in exchange for the contribution of the Contributed Interests by Transferor to Acquiror pursuant to Code Section 721.

(c) The Parties agree that, for federal income tax and any applicable state income tax purposes, the Contemplated Transactions shall be treated as follows: (i) a sale by Transferor of a portion of the Company’s assets to Acquiror pursuant to Code Section 707(a)(2)(B), Treas. Reg. Section 301.7701-2(c)(2) and Revenue Ruling 99-6, 1999-1 C.B. 432, Situation 2, in exchange for the Cash Consideration; and (ii) a contribution by Transferor of the balance of the Company’s assets to Acquiror pursuant to Code Section 721(a). The Parties agree that the allocation of the Company’s assets between clauses (i) and (ii) above shall be set forth in a statement delivered to Transferor within 60 days after Closing prepared by Acquiror and reasonably acceptable to Transferor, and no Party shall take any action or filing position inconsistent with this Section 2.2(c) and such statement unless otherwise required by Law.

2.3 Pre-Closing Distributions. Prior to Closing, the Company shall distribute the assets set forth on Schedule 2.3, which distribution shall not result in any adjustment to the Consideration and shall not be considered in connection with the Cash True-Up or Settlement Statement or for purposes of the representations and warranties of the Transferor Parties in this Agreement.

2.4 Cash True-Up and Settlement Statement.

(a) The Parties agree that the transactions described in this Agreement shall be effective as of the Effective Time. All Liabilities and expenses of the Company accruing after the Effective Time through the Closing Date relating to the Company's Business, other than Covered Liabilities, shall be deemed incurred for the benefit of Acquiror. All revenues of the Company accruing after the Effective Time through the Closing Date relating to the Company's Business shall be deemed earned for the benefit of Acquiror. All Liabilities and expenses of the Company accruing prior to the Effective Time shall be deemed incurred for the benefit of Transferor. All revenues of the Company accruing prior to the Effective Time relating to the Company's Business, including without limitation, residual payments under the SPS Referral Agreement, shall be deemed earned for the benefit of Transferor. Transferor shall retain all liability for all Covered Liabilities, except to the extent any such Covered Liability was accounted for as a reduction to the Cash Consideration pursuant to Section 2.7(a) of this Agreement.

(b) Beginning at least three (3) Business Days prior to the Closing, and continuing until no later than ninety (90) days following the Closing Date, Acquiror shall prepare in good faith and deliver to Transferor a statement (with reasonable detail and corroborating support attached or otherwise concurrently provided) which shall be substantially in the form attached hereto as Schedule 2.4(b) (the "Settlement Statement") setting forth: (i) the sum of (A) all cash and cash equivalents of the Company as of the Effective Time, net of any distributions pursuant to Section 2.3, plus (B) all revenues of the Company that were received after the Effective Time, that were accrued or otherwise attributable to periods prior to the Effective Time (the "True-Up Liabilities"); and (ii) all Liabilities or expenses of the Company's Business that were paid by the Company after the Effective Time, that were accrued or otherwise attributable to periods prior to the Effective Time or otherwise constitute Covered Liabilities (the "True-Up Credits"). The amount, if any, by which (1) the True-Up Credits exceed the True-Up Liabilities is the "True-Up Surplus" and (2) the True-Up Liabilities exceed the True-Up Credits is the "True-Up Deficit".

(c) Examination and Review.

(i) Examination. After receipt of the Settlement Statement, Transferor shall have thirty (30) days (the "Review Period") to review the Settlement Statement. During the Review Period, Transferor and its accountants shall have full access to the Books and Records of the Company, the personnel of, and work papers prepared by, the Acquiror's accountants to the extent that they relate to the Settlement Statement and to such historical financial information (to the extent in Transferor's possession) relating to the Settlement Statement as Transferor may reasonably request for the purpose of reviewing the Settlement Statement and to prepare a

Statement of Objections (defined below), provided, that such access shall be in a manner that does not interfere with the normal business operations of the Parties.

(ii) Objection. On or prior to the last day of the Review Period, Transferor may object to the Settlement Statement by delivering to Acquiror a written statement setting forth Transferor's objections in reasonable detail, indicating each disputed item or amount and the basis for Transferor's disagreement therewith (the "Statement of Objections"). If Transferor fails to deliver the Statement of Objections before the expiration of the Review Period, the Settlement Statement and the True-Up Surplus or True-Up Deficit, as the case may be, reflected in the Settlement Statement shall be deemed to have been accepted by Transferor. If Transferor delivers the Statement of Objections before the expiration of the Review Period, Acquiror and Transferor shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the "Resolution Period"), and, if the same are so resolved within the Resolution Period, the True-Up Surplus or True-Up Deficit, as the case may be, and the Settlement Statement with such changes as may have been previously agreed in writing by Acquiror and Transferor shall be final and binding.

(iii) Resolution of Disputes. If Transferor and Acquiror fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("Disputed Amounts") shall be submitted for resolution to an independent accountant reasonably acceptable to Transferor and Acquiror (the "Independent Accountants") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to, the True-Up Surplus or True-Up Deficit, as the case may be, and the Settlement Statement. The Parties agree that all adjustments shall be made without regard to materiality. The Independent Accountants shall only decide the specific items under dispute by the Parties, and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Settlement Statement and the Statement of Objections, respectively.

(iv) Fees of the Independent Accountants. The fees and expenses of the Independent Accountant shall be paid by Transferor, on the one hand, and by Acquiror, on the other hand, based upon the percentage that the amount actually contested but not awarded to Transferor or Acquiror, respectively, bears to the aggregate amount actually contested by Transferor and Acquiror.

(v) Determination by Independent Accountants. The Independent Accountants shall make a determination as soon as practicable within thirty (30) days (or such other time as the Parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Settlement Statement and/or the True-Up Surplus or True-Up Deficit shall be conclusive and binding upon the Parties hereto.

(vi) Payments of Post-Closing Adjustment. Payment of the True-Up Surplus or True-Up Deficit shall (A) be made by Transferor in the case of a True-Up Surplus, or the Acquiror in the case of a True-Up Deficit, (B) be due (x) within five (5) Business Days of acceptance of the Settlement Statement or (y) if there are Disputed Amounts, then within five (5) Business Days of the resolution described in clause (v) above; and (C) be paid by wire transfer of

immediately available funds to such account as is directed by Acquiror or Transferor, as the case may be. The True-Up Surplus or True-Up Deficit, as the case may be, shall be paid without setoff of any nature, kind or amount.

2.5 The Closing. The Closing shall be deemed to occur contemporaneously with the Parties' execution and delivery of this Agreement and the other items to be delivered at Closing pursuant to this Article II. The date of the Closing shall be the "Closing Date" for purposes of this Agreement.

2.6 Actions of Transferor Parties at Closing. At the Closing, unless otherwise waived in writing by Acquiror, Transferor Parties shall deliver to Acquiror the following:

(a) (i) A certificate of existence and good standing of the Company from the Secretary of State of the Commonwealth of Virginia, and (ii) a certificate of tax clearance from the Secretary of the Department of Revenue of the Commonwealth of Virginia, each dated the most recent practicable date prior to Closing;

(b) Certificate of Secretary of Transferor, certifying (i) resolutions duly adopted by Transferor's board of directors and shareholders authorizing and approving the performance of the Contemplated Transactions and the execution and delivery of the documents described herein, (ii) the Articles of Incorporation and Bylaws of Transferor, as amended, and (iii) incumbency for the officers of Transferor executing this Agreement, making certifications for Closing or executing agreements contemplated hereby dated as of the Closing Date;

(c) Fully-executed resignations of the manager(s) (if applicable) and officers of the Company;

(d) Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement (the "Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement"), executed by the Owner;

(e) A letter evidencing an offer of employment by Acquiror or one of its affiliates to the Owner (the "Offer Letter"), executed by the Owner;

(f) A Closing Memorandum providing for payments of all amounts owed between the Parties at the Closing, including the Cash Consideration and amounts owed among the Parties (the "Closing Memorandum"), executed by Transferor Parties;

(g) A Subscription Agreement, evidencing Transferor's receipt of the Common Units, executed by Transferor (the "Subscription Agreement");

(h) An executed payoff letter or statement in form and substance reasonably satisfactory to Acquiror from Access National Bank to release any and all existing liens on and/or security interests in the Company's assets;

(i) A statement, signed by the Owner, which sets forth, by creditor, the aggregate amount of the Closing Date Indebtedness, with copies of payoff letters and payment

instructions for payoffs of each creditor at Closing;

- (j) An assignment agreement (the “Assignment Agreement”) assigning the Interests to Acquiror, executed by Transferor; and
- (k) Such other documents as may be reasonably required by Acquiror to effectuate the Contemplated Transactions.

Simultaneously with the delivery of the foregoing items, Transferor Parties will take all such steps as may reasonably be required to put Acquiror in actual possession and operating control of the Interests.

2.7 Actions of Acquiror at Closing. At the Closing, unless otherwise waived in writing by Transferor Parties, Acquiror shall deliver to Transferor Parties the following:

- (a) The Cash Consideration less any amounts payable to third parties on behalf of Transferor in satisfaction of the Closing Date Indebtedness, by wire transfer, and the Common Units;
- (b) Certificate of the secretary of Acquiror, certifying (i) the resolutions of the requisite members of Acquiror, authorizing and approving the performance of the Contemplated Transactions and the execution and delivery of this Agreement and the documents described herein, and (ii) incumbency for the officers of Acquiror executing this Agreement, making certifications for Closing or executing agreements or instruments contemplated hereby dated as of the Closing Date;
- (c) The Employee Non-Competition, Non-Solicitation, Confidentiality and Inventions Agreement, executed by Acquiror;
- (d) The Offer Letter, executed by Acquiror;
- (e) The Closing Memorandum, executed by Acquiror;
- (f) The Assignment Agreement executed by Acquiror
- (g) The Subscription Agreement, executed by Acquiror; and
- (h) Such other documents as may be reasonably required by the Company to effectuate the Contemplated Transactions.

2.8 Allocation of Consideration. The Parties agree that the allocation of the Consideration among the Company’s assets for Tax purposes shall be made by Acquiror and shall be set forth in a statement prepared by Acquiror in accordance with the Code, with such statement to be in a form substantially agreed upon by the Parties at Closing. The Parties shall cooperate in the preparation of such statement which shall be used, followed or filed as required by Law. At or prior to Closing, Acquiror will deliver a draft Consideration allocation statement to Transferor Parties and will make a good faith effort to adhere to such draft Consideration

allocation statement in preparing the final statement.

**ARTICLE III
REPRESENTATIONS AND WARRANTIES OF TRANSFEROR PARTIES**

Transferor Parties jointly and severally represent and warrant to Acquiror as of the Closing Date as follows:

3.1 Authorization; Binding Effect. Transferor has full power and authority to execute and deliver this Agreement and all other agreements, documents and instruments to be executed and delivered hereunder (the "Transaction Documents") and to perform its obligations hereunder and thereunder. The Transaction Documents and performance and consummation of the Contemplated Transactions are and have been approved and authorized by all requisite action of the Transferor, and no other legal proceedings on the part of Transferor are necessary therefor. The Transaction Documents have been duly executed and delivered by Transferor and, assuming due authorization, execution and delivery of this Agreement and the other Transaction Documents by the other Parties, the Transaction Documents are the valid and legally binding obligation of the Transferor, enforceable against Transferor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and limitations on enforcement of equitable remedies.

3.2 Non-contravention. Neither the execution and delivery of this Agreement nor any of the Transaction Documents to which Transferor is a party, nor the consummation of the Contemplated Transactions, will: (a) violate any Law, injunction, judgment, ruling, charge, or other restriction of any Governmental Authority to which Transferor is subject; (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, Contract, lease, license, instrument, or other arrangement to which Transferor is a party or by which he is bound or to which any of his assets or properties are subject; or (c) result in the imposition or creation of any Liens upon or with respect to the Interests or any assets or properties of the Company. No spouse or former spouse of the Owner has any claim, right, or power under or as a result of any community or other marital property laws that will, or would reasonably be expected to, give such Person the legal right to prevent, delay, or render invalid Transferor's execution of this Agreement or any of the Transaction Documents to which Transferor is a party or the consummation of the Contemplated Transactions or to cause any Liens to exist upon the Interests or any assets or properties of the Company at the Effective Time or at any time thereafter. No other Person has any claim, right, or power under or as a result of any contractual right or otherwise that will, or would reasonably be expected to, give any such Person the legal right to prevent, delay, or render invalid Transferor's execution of this Agreement or any of the Transaction Documents to which Transferor is a party or the consummation of the Contemplated Transactions or to cause any Liens to exist upon the Interests or any assets or properties of the Company at the Effective Time or at any time thereafter.

3.3 Necessary Consents. Transferor is not a party to or bound by any Lien or Contract or instrument, or any Law that requires a Required Consent.

3.4 Title to Interests. Transferor has sole voting power and sole power of disposition, in each case with respect to all of the Interests with no limitations, qualifications or restrictions on such rights and powers. The Interests are free and clear of any Liens. Transferor is not subject to any agreements, arrangements, options, warrants, calls, rights, commitments or other restrictions relating to the sale, transfer, purchase, redemption or voting of its Interests. Neither the Company nor Transferor has granted to any Person any right of first refusal, preemptive right, subscription right or similar right with respect to the Interests.

3.5 Capital Structure. Transferor is the record owner of and has good and valid title to the Interests. The Interests consist of 100% of the total issued and outstanding membership interests of the Company. All of the Interests are issued and outstanding and no membership interests of the Company are owned, beneficially or of record, by any Person other than Transferor. All of the Interests are duly authorized and validly issued, fully paid and nonassessable and not subject to any preemptive rights. Except as set forth above, (a) there is no equity of the Company authorized, issued or outstanding, (b) there are no existing options, warrants, calls, preemptive rights, subscription or other rights, agreements, arrangements or commitments of any character, relating to the issued or unissued equity of the Company, obligating the Company to issue, transfer, redeem, purchase or sell or cause to be issued, transferred, redeemed, purchased or sold any equity of the Company or to otherwise make any payment in respect of any such equity, and (c) there are no rights, agreements or arrangements of any character which provide for an equity appreciation or similar right or grant any right to share in the equity, income, revenue or cash flow of the Company. Other than the organizational documents of the Company, there are no voting trusts, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Interests.

ARTICLE IV REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY

Transferor Parties jointly and severally represent and warrant to Acquiror as of the Closing Date as follows:

4.1 Status. The Company (i) is a limited liability company duly organized, validly existing, and in good standing under the Laws of the Commonwealth of Virginia, (ii) has all requisite limited liability company power and authority to carry on its business as now and heretofore conducted and to own, operate and lease its properties and assets and to perform its obligations under the Contracts, (iii) is duly qualified or licensed to transact business in and is in good standing under the Laws of each jurisdiction where such qualification is required, and (iv) the Company has delivered to Acquiror copies of the Articles of Organization and Operating Agreement of the Company, as currently in effect. The Company owns no interest in any Person.

4.2 Authorization; Binding Effect. The Owner has the capacity and authority to execute and deliver this Agreement and all Transaction Documents and to perform his obligations hereunder and thereunder. The Transaction Documents have been duly executed and delivered by the Owner and, assuming due authorization, execution and delivery of this Agreement and the other Transaction Documents by the other Parties, the Transaction Document are the valid and legally binding obligation of the Owner, enforceable against the Owner in

accordance with their terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and limitations on enforcement of equitable remedies.

4.3 Required Consents. Except as described in Schedule 4.3 and other than with respect to Permitted Encumbrances, the Company is not a party to or bound by any Lien or Contract or instrument, or any Rule or Law that requires the consent of any other party to the execution of this Agreement or the consummation of the Contemplated Transactions, gives rise to a right of first refusal in favor of any other party as a result of the execution of this Agreement or the consummation of the Contemplated Transactions or prohibits or requires the consent or notification of another to, any of the Contemplated Transactions (the "Required Consents").

4.4 No Conflict. Transferor Parties' and the Company's negotiation, execution, delivery and performance of the Transaction Documents, consummation of the Contemplated Transactions and compliance with any of the provisions thereof will not (a) assuming that all Required Consents have been obtained, violate any Law to which Transferor Parties, the Interests, the Company or the Company's assets may be subject, (b) conflict with or result in a breach of any provision of the organizational documents of the Company or Transferor, (c) other than as provided on Schedule 4.3, require any consent, approval or authorization of, or notice to, or declaration, filing or registration with, any Governmental Authority that is required by Law or the regulations of any Governmental Authority, (d) violate any Order to which Transferor Parties, the Company or the Interests may be subject, (e) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify, any License that is held by and that is material to the Company or that otherwise relates and is material to the Company's Business, the Interests or any of the Company's assets, (f) violate, or conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or result in the creation of any Lien upon the Interests or result in being declared void, voidable, without further binding effect, or subject to amendment or modification any of the terms, conditions or provisions of, any Contract, license, franchise, permit, or other instrument or commitment or obligation to which any of Transferor Parties or the Company may be bound or affected, (g) cause Acquiror or the Company to become subject to, or to become liable for the payment of, any Tax, (h) cause any of the Company's assets to be reassessed or revalued by any taxing authority or other Governmental Authority, (i) violate or cause a breach under the Rules or (j) give rise to any Liabilities related to any portability premium, early termination fee or other amount payable to any Processor.

4.5 Financial Statements; Owner Receivables.

(a) Schedule 4.5(a) includes copies of the reviewed, unaudited balance sheets, income statements and statements of cash flows of the Company, in each case, as of and for the years ended December 31, 2014, 2015 and 2016 (the "Year End Financial Statements") and copies of the unaudited balance sheet and income statement for the period ending June 30, 2017 (the "Interim Financial Statements") and together with the Year End Financial Statements, the "Financial Statements"). As of June 30, 2017, the Company had no material Liabilities not

reflected on the balance sheet for such date, other than any such Liabilities as arose in the ordinary course of business. The Financial Statements are based on the Books and Records and have been prepared on an accrual basis, applied consistently throughout the periods indicated and present fairly in all material respects the financial condition of the Company as of such dates and the results of its operations for the periods specified subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of such adjustments which will not have a Material Adverse Effect).

(b) Except as set forth on Schedule 4.5(b), neither the Owner nor Transferor has any right to receive (i) payments from the Processors or any other third parties in connection with the Merchant Agreements or any Contracts with the Processors, or (ii) any other payments owed by third parties with respect to the Company's Business (whether or not related to the Merchants), including any convenience fees, commissions, ancillary fees, license fees and any other revenue streams relating to transactions of the Merchants, including all amounts relating to collections recovery, retrieval fees, miscellaneous credits and other similar funds paid by issuing banks.

4.6 Undisclosed Liabilities. The Company does not have any Liabilities, debts or obligations of any nature, whether known or unknown, accrued, absolute, fixed, contingent, liquidated, unliquidated, or otherwise and whether or not due (collectively, "Obligations"), other than Obligations (a) that were reflected or reserved against on the Financial Statements, (b) disclosed on Schedule 4.6 attached hereto or (c) that were incurred in the ordinary course of business.

4.7 Absence of Certain Changes. Since the Balance Sheet Date except as described in Schedule 4.7, (a) the Company has conducted the Company's Business only in the ordinary course of business, consistent with past practice and in compliance with Law in all material respects, (b) the Company has not entered into, amended the terms of or terminated any Material Contracts, and (c) the Company has not experienced a Material Adverse Effect and to the Knowledge of Transferor Parties, no circumstance exists that can reasonably be expected to result in a Material Adverse Effect.

4.8 Brokers or Finders. Neither Transferor Parties nor their agents has engaged any finder or broker or incurred any Obligation or Liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions in connection with this Agreement and the Contemplated Transactions.

4.9 Real Property and Personal Property.

(a) The Company does not, and for the past three years has not, owned any real property. All real property used in connection with the Company's Business ("Real Property") is leased pursuant to that certain Office Lease Agreement dated January 19, 2011 between Domar Properties, LLC and the Company (the "Real Property Lease"). The Company has not materially breached the Real Property Lease, or violated any applicable Law, condemnation, assessment or any similar action, relating to any Real Property or the operation thereof. The Company has not exercised any option to renew the Real Property Lease past its

stated current term ending March 31, 2018.

(b) All Personal Property is in good operating condition and repair (subject to normal wear and tear). As of the Closing, all Personal Property that is owned by the Company will be free and clear of any Lien. No Person other than the Company owns any Personal Property situated on the Real Property, except for (i) items leased or licensed by the Company or improvements to items leased or licensed by the Company, and (ii) personal property of the Company's employees or visitors which is not required for the operation of the Company's Business.

4.10 Contracts.

(a) Schedule 4.10(a) is a true and complete list of all of the following material Contracts of the Company (the "Material Contracts"):

(i) All written or oral employment or consulting Contracts pursuant to which services are rendered to the Company;

(ii) All Contracts under which the Company is or the Company's Business or Acquiror will after the Closing be restricted from carrying on any business or other activities anywhere in the world;

(iii) All Contracts to purchase, lease, or sell assets or services having a fair market value in excess of \$25,000;

(iv) All Contracts (including organization, partnership and joint venture agreements) under which (A) the Company has any liability or obligation for debt or constituting or giving rise to a guarantee of any liability or obligation of any Person or (B) any Person has any liability or obligation constituting or giving rise to a guarantee of any liability or obligation of the Company, or any liability or obligation to the Company, in each case involving any debt or liability in excess of \$25,000 individually or \$50,000 in the aggregate;

(v) The Real Property Lease;

(vi) All Contracts with Processors, sponsor banks, independent sales organizations, or Referral Sources, including the SPS Referral Agreement;

(vii) All Contracts which grant a third party an unexpired right of exclusive dealing with the Company, a right of first refusal, right of first offer, or similar option right, for any of the Interests or the assets of the Company; and

(viii) All Contracts necessary to operate the Company's Business as it is currently being conducted.

(b) No material breach or default in performance by the Company under any of the Material Contracts has occurred or is continuing, and, to the Knowledge of Transferor Parties, no event has occurred, which with notice or lapse of time or both would constitute such a

material breach or default. Transferor Parties have neither given nor received from any other Person any notice or other communication regarding any actual, alleged or potential material breach or default under the Material Contracts. To the Knowledge of Transferor Parties, no material breach or default by any other Person under any of the Material Contracts has occurred or is continuing, and no event has occurred which with notice or lapse of time or both would constitute such a material breach or default.

(c) Other than as set forth on Schedule 4.10(a), there are no renegotiations of, or attempts to renegotiate, or outstanding rights to renegotiate, any material amounts paid or payable to or by the Company under any Contracts.

(d) The Company is not a party to any Contract with any Merchant.

4.11 Intellectual Property.

(a) Schedule 4.11 sets forth a complete and accurate list of all Intellectual Property owned or utilized by the Company to the extent relating to the Company's Business, identifying, in each case, the record and beneficial title holder of the item and describing any applicable filing and registration particulars.

(b) Except as set forth on Schedule 4.11, the Company does not license any Intellectual Property to or from any third party.

4.12 Title to and Sufficiency of Assets. Except as set forth on Schedule 4.12, the Company has good and valid title to, or a valid leasehold interest in, all of its tangible properties and assets, real, personal and mixed, used or held for use in the Company's Business. All such properties and assets (including leasehold interests) are free and clear of Liens. Except as set forth on Schedule 4.12, such properties and assets collectively constitute, and will collectively constitute as of the Closing Date, all of the properties, rights, interests and other tangible and intangible assets necessary for the conduct of, or that are primarily used in or held for use for, the Company's Business as it is currently being conducted.

4.13 Compliance; Approvals.

(a) The Company has all Licenses that are required by Law to carry on the Company's Business currently being conducted and own and use its assets, each of which is set forth on Schedule 4.13(a). The Company is and has been in compliance in all material respects with each such License. To the Knowledge of Transferor Parties, no event has occurred or circumstance exists that (with or without notice or the lapse of time) may constitute or result directly or indirectly in a violation of or failure to comply with any term or requirement of any License.

(b) The Company is, and at all times has been, in compliance with all Laws applicable to the Company in all material respects. To the Knowledge of Transferor Parties, no event has occurred or circumstance exists that (with or without notice or lapse of time) (i) constitutes or may result in a material violation by the Company of, or a failure on the part of the Company to comply in any material respect with, any Law, or (ii) may give rise to any

obligation on the part of the Company to undertake, or to bear all or any portion of the costs of, any remedial action of any nature.

(c) The Company is in compliance in all material respects with the Rules applicable to the Company. There is no investigation, proceeding or disciplinary action (including fines) pending, taken, or, to the Knowledge of Transferor Parties, threatened against the Company by a Payment Network or its applicable agent, whether relating to an alleged violation of the Rules or otherwise and no consent of the Payment Networks is required to consummate the Contemplated Transactions.

4.14 Legal Proceedings; Orders.

(a) Except as set forth on Schedule 4.14(a), there is no Order or Proceeding pending, or to the Knowledge of Transferor Parties, threatened by or against, affecting or that otherwise relates to the Interests, the Company's assets or the Company's Business. To the Knowledge of Transferor Parties, no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any Orders or Proceedings against the Company.

(b) There are not now, and within the past three (3) years there have not been any material claims, actions or Proceedings pending, or threatened before any court or Governmental Authority initiated by the Company, against the Company or in respect of the Company's Business or for which the Company would have liability in respect of the Company's Business. There are no such claims, actions, Proceedings pending or, to the Knowledge of Transferor Parties, threatened, challenging the validity of the Contemplated Transactions. The Company is not now, and has not been, a party to any injunction, Order, or decree restricting the method of the Company's conduct of the Company's Business or servicing of the Merchants. Transferor Parties have provided to Acquiror copies of all notices from any Governmental Authority (i) received by Transferor Parties in writing or, (ii) to the Knowledge of Transferor Parties, received in writing by the Company's Processors or sponsor banks since January 1, 2014.

4.15 Employee Benefit Plans.

(a) Schedule 4.15(a) sets forth a true, complete and correct list of all Benefit Plans (i) which are currently maintained or contributed to by the Company, or (ii) with respect to which the Company has any liability or obligations to any current or former officer, employee, or service provider of the Company, or the dependents of any thereof, regardless of whether funded. With respect to each Benefit Plan, the Company has made available to the Buyer true, accurate and complete copies of each of the following: (i) if the plan has been reduced to writing, the plan document together with all amendments thereto, (ii) if the plan has not been reduced to writing, a written summary of all material plan terms, (iii) if applicable, copies of any trust agreements, custodial agreements, insurance policies, administrative agreements and similar agreements, and investment management or investment advisory agreements, (iv) copies of any summary plan descriptions, employee handbooks or similar employee communications, (v) in the case of any plan that is intended to be qualified under Code Section 401(a), a copy of the most recent determination, notification, or opinion letter from the IRS and any related correspondence, and,

if applicable, a copy of any pending request for such determination, (vi) in the case of any funding arrangement intended to qualify as a VEBA under Code Section 501(c)(9), a copy of the IRS letter determining that it so qualifies, (vii) in the case of any plan for which Forms 5500 are required to be filed, a copy of the two most recently filed Forms 5500, with schedules attached, (viii) actuarial valuations and reports related to any Benefit Plans with respect to the most recently completed plan years; and (ix) the most recent nondiscrimination tests performed under the Code.

(b) Except as disclosed on Schedule 4.15(b), the Company has not been materially liable at any time in the past 6 years for contributions to a plan that is or has been, at any time in the past 6 years, subject to Section 412 of the Code, Section 302 of ERISA and/or Title IV of ERISA. There is no multiemployer plan (as defined in Section 3(37) or Section 4001(a)(3) of ERISA) under which the Company has any present or future liability. In the past 6 years the Company has not sponsored or contributed to or been required to contribute to a multiemployer plan or to a multiple employer welfare arrangement (as defined in Section 3(40) of ERISA).

(c) With respect to each of the Benefit Plans, neither the Company nor any ERISA Affiliate has (i) engaged in a prohibited transaction, (ii) breached any fiduciary duty or (iii) violated any Law applicable to the Benefit Plans and related funding arrangements, in each case as would reasonably be expected to have a Material Adverse Effect. Except as disclosed on Schedule 4.15(c), each Benefit Plan intended to be qualified under Section 401(a) of the Code has a current favorable determination letter as to its qualification or the sponsor of the Benefit Plan may rely on the IRS notification or advisory letter to the sponsor of any prototype plan or volume submitter used to document the terms of such Benefit Plan as to the tax-qualified status of such Benefit Plan, and no event has occurred which would reasonably be expected to cause any such Benefit Plan to become disqualified for purposes of Section 401(a) of the Code. Each Benefit Plan has been operated in compliance in all material respects with applicable Law, including the Code and ERISA, and in accordance with its terms. All benefits, contributions (including employee salary deferrals) and premium payments, required to be made under the terms of any of the Benefit Plans as of the date of this Agreement have been timely paid, accrued, or, if not yet due, have been (or will be) properly reflected on the Financial Statements.

(d) All required reports, Tax Returns, documents and plan descriptions of the Benefit Plans have been timely filed with the Internal Revenue Service and the U.S. Department of Labor and/or, as appropriate, provided to participants in the Benefit Plans. No Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or is currently the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction, or similar program sponsored by any Governmental Authority that has not been resolved as of the date hereof. There are no material pending claims, lawsuits or actions relating to any Benefit Plan (other than ordinary course claims for benefits) and, to the Knowledge of Transferor Parties, none are threatened.

(e) The consummation of the Contemplated Transactions will not accelerate the time of vesting or payment, trigger any payment or funding, or increase the amount, of compensation or benefits to any employee, officer, former employee or former officer of the

Company or trigger any other material obligation pursuant to any Benefit Plan. No Benefit Plans or other Contracts or arrangements to which the Company is a party provide for payments that would be triggered by the consummation of the Contemplated Transactions that would subject any current or former employee or service provider of the Company to excise tax under Section 4999 of the Code, and the Company has not made any payments, is not obligated to make any payments and is not a party to any agreement that would reasonably be expected to obligate it to make any payments to any current or former employee or other service provider of the Company that will not be deductible under Section 280G of the Code.

(f) To the extent applicable, the Company has complied in all material respects with the continuation coverage provisions of COBRA and any applicable state statutes mandating health insurance continuation coverage for employees. Transferor Parties have provided to Buyer a list of all current and former employees of the Company and their beneficiaries who are eligible for and/or have elected continuation coverage under COBRA or have otherwise confirmed that there are no such eligible individuals. No Benefit Plan provides for, and no written or oral agreements have been entered into by the Company promising or guaranteeing, the continuation of medical, dental, vision, life or disability insurance coverage for any current or former employees of the Company or their beneficiaries for any period of time beyond the termination of employment (except to the extent of coverage required under COBRA). Except as set forth in Schedule 4.15(f) and other than as required under COBRA or other applicable Law, no Benefit Plan or other arrangement provides post-termination or retiree welfare benefits to any individual for any reason.

(g) Each Benefit Plan that is subject to Section 409A of the Code has been administered in material compliance with its terms and the operational and documentary requirements of Code Section 409A and all applicable regulatory guidance (including, notices, rulings and proposed and final regulations) thereunder. The Company does not have any obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Code Section 409A.

(h) There has been no amendment to, announcement by the Company relating to, or change in employee participation or coverage under, any Benefit Plan that would materially increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year with respect to any director, officer, employee, consultant or independent contractor of the Company, as applicable.

4.16 Employee Relations.

(a) Schedule 4.16(a) contains a list of all of the employees of the Company, their current salary or wage rates. Schedule 4.16(a) also indicates whether such employees are part-time or full-time. Company has, at all times, complied with all state and federal wage and hour Laws, including, but not limited to, properly classifying employees as exempt or non-exempt from overtime and minimum wage requirements and properly classifying workers as independent contractors rather than employees where applicable. All employees are employees at-will, unless otherwise specified on Schedule 4.16(a). The Company is not delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct

compensation for any services performed for it or any other amounts required to be reimbursed to such employees (including accrued paid time off, accrued vacation, accrued sick leave and other benefits) or in the payment to the appropriate Governmental Authority of all required Taxes, insurance, social security and withholding thereon.

(b) No retention payments, severance payments, change in control payments or other similar compensation or benefits are due or will be made to any employees, agencies or independent contractors of the Company in connection with the Contemplated Transactions. The Company has taken no actions prior to the Closing related to the foregoing that will subject it or Acquiror to liability after the Closing.

4.17 Taxes.

(a) As of the Closing, Transferor is a small business corporation for which an election to be an “S corporation” within the meaning of Section 1361(a)(1) of the Code for United States federal income tax purposes has, at all times from the formation of Transferor through the Closing, been in effect. Transferor is not a “foreign person” as that term is used in Section 1.1445-2 of the Treasury Regulations.

(b) As of the Closing, the Company is wholly-owned by Transferor and is, and has been since the Conversion, a single member limited liability company disregarded as an entity separate from Transferor for United States federal income tax purposes. Neither Transferor nor the Company has taken any action or allowed any action that would cause or could cause the Company to not be disregarded as an entity separate from Transferor for United States federal income tax purposes at any time from the date of the Conversion through the Closing.

(c) Prior to the Closing, the Company undertook the Conversion. Prior to the Conversion, 100% of the issued and outstanding capital stock of Fairway Payments Incorporated was contributed to Transferor by Owner, Fairway 16 Trust and Fairway 26 Trust. Effective as of the date the stock of Fairway Payments Incorporated was contributed to Transferor, Transferor properly elected to treat Fairway Payments Incorporated as a “qualified subchapter S subsidiary” within the meaning of Code Section 1361(b)(3)(B). Prior to the contribution of the stock of Fairway Payments Incorporated to Transferor, Fairway Payments Incorporated had been an “S corporation” within the meaning of Code Section 1361(a)(1) for United States federal income tax purposes at all times from the formation of Fairway Payments Incorporated until the date of such contribution.

(d) Fairway Payments Incorporated, Transferor, and the Company have filed, on a timely basis, all Tax Returns required to be filed as of the Closing Date. All such Tax Returns are true, correct and complete in all material respects. Fairway Payments Incorporated, Transferor, and the Company have paid all Taxes due in connection with such Tax Returns and shall timely pay any Taxes that have or may become due under applicable Law with respect to all Pre-Closing Periods (whether or not shown or required to be shown on any Tax Return). There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Fairway Payments Incorporated, Transferor, or the Company. Fairway Payments Incorporated, Transferor, and the Company have withheld or collected and paid over to the

appropriate Governmental Authorities (or is properly holding for such payment) all Taxes required by Law to be withheld or collected with respect to all of their respective operations, including withholdings on payments to Fairway Payments Incorporated, Transferor, or the Company for sales and use taxes. No claim has ever been made by any authority in a jurisdiction where Fairway Payments Incorporated, Transferor, or the Company do not file Tax Returns that any of them may be subject to taxation in that jurisdiction.

(e) No audit or other proceeding by any United States Federal, state or local or foreign court, governmental or regulatory authority, or similar Person is pending or, to the Knowledge of Transferor Parties, threatened with respect to any Taxes due from: (1) any of the Transferor Parties in connection with Fairway Payments Incorporated, Transferor, or the Company or any Tax Return filed or required to be filed by, relating to or including Transferor Parties, or (2) Fairway Payments Incorporated, Transferor, or the Company. There are no outstanding assessments or deficiencies for any Tax and, to the Knowledge of Transferor Parties, none are presently threatened against Transferor Parties or Fairway Payments Incorporated, Transferor, or the Company. There are no unexpired waivers of any statute of limitations with respect to any Taxes for which Transferor Parties or Fairway Payments Incorporated, Transferor, or the Company may be liable. Neither Fairway Payments Incorporated, Transferor, nor the Company has entered into any “reportable transaction” as defined in Treasury Regulation Section 1.6011-4(b). No federal income Tax Return that was filed by Fairway Payments Incorporated, Transferor, or the Company contains, or was required to contain (to avoid a penalty, and determined without regard to the effect of post-filing disclosure), a disclosure statement under Section 6662 of the Code.

(f) Neither Fairway Payments Incorporated, Transferor, nor the Company is a party to or bound by any tax allocation, tax indemnity or tax sharing agreement. Neither Fairway Payments Incorporated, Transferor, nor the Company has ever been a member of an affiliated group filing a consolidated federal income Tax Return or a member of a combined, consolidated or unitary group for state, local or foreign Tax purposes.

4.18 Environmental Matters.

(a) The Company is currently in compliance in all material respects with all Environmental Laws which compliance includes, but is not limited to, the possession by Company of all Licenses and other governmental authorization required under applicable Environmental Laws and in compliance in all material respects with the terms and conditions thereof to operate the Company’s Business as currently operated;

(b) There have been no actions, activities, circumstances, conditions, events or incidents that could form the basis of any material Environmental Claim against the Company, and the Transferor Parties have no Knowledge of any such actions, activities, circumstances, conditions, events or incidents prior to its ownership or leasing of the Real Property or assets.

4.19 Affiliate Transactions. Except as set forth on Schedule 4.19, neither the Company nor Owner has taken an action within the past twelve (12) months that would divert revenue under the SPS Referral Agreement away from the Company and direct such revenue to Owner or

an affiliate, and neither the Owner nor any of its affiliates own any asset, tangible or intangible, that is used in the Company's Business. Except as set forth on Schedule 4.19, neither Transferor Parties nor any of their affiliates own, or in the last twelve (12) months has owned, of record or as a beneficial owner, an equity interest or any other financial or profit interest in any Person that has had business dealings or a material financial interest in any transaction with the Company.

4.20 Insurance. Schedule 4.20 includes a list of all insurance policies maintained by or for the benefit of the Company with respect to the Company's Business. Schedule 4.20 sets forth each policy's applicable deductibles, coverage limits and whether or not the insurance policies provide coverage on an occurrence basis. All of such policies are in full force and effect with no premium arrearage. The Company has timely given to its insurers all notices required to be given under such insurance policies with respect to all of the claims and actions conferred by insurance, and no insurer has denied coverage of any such claims or actions. Except as set forth on Schedule 4.20, the Company has not (a) received any written notice or other communication from any such insurance company cancelling or amending any of such insurance policies, and, to the Transferor Parties' Knowledge, no such cancellation or amendment is threatened, or (b) failed to give any required notice or to present any claim which is still outstanding under any of such policies with respect to the Company's Business.

4.21 Merchants and Products.

(a) Except as set forth on Schedule 4.21, the Company refers Merchants exclusively to SPS and no other party and only refers Merchants for processing services pursuant to the SPS Referral Agreement.

(b) Except as set forth on Schedule 4.21, the Company does not manufacture, distribute or sell any software, point-of-sale equipment or other tangible or intangible property in connection with the Company's Business.

4.22 Privacy.

(a) The Company is and has been in compliance with: (i) all applicable Privacy Laws, (ii) all of the Company's policies regarding privacy and data security and (iii) all contractual commitments that the Company has entered into with respect to Personal Information. Acquiror acknowledges and agrees that Company makes no representations or warranties regarding the compliance of any other Person with Privacy Laws.

(b) The Company has commercially reasonable safeguards in place to protect any Personal Information in its possession or control from unauthorized access, including by its employees, contractors and consultants.

(c) The Company has not made any illegal or unauthorized use of Personal Information that was collected by or on behalf of the Company.

(d) The transfer, if any, of Personal Information in connection with the transactions contemplated by this Agreement will not violate any Privacy Laws. The Company is not subject to any contractual requirements, privacy policies or other legal obligations that,

following the Closing, would prohibit the Company or Acquiror or any of its affiliates from receiving or using Personal Information in the manner in which the Company receives and uses such Personal Information prior to the Closing.

(e) The Company has not received any notice of any claims against the Company or been charged with the violation of any Privacy Laws. To the Knowledge of Transferor Parties, the Company has not been and is not under investigation with respect to any violation of any Privacy Laws or applicable privacy policies, and there are no facts or circumstances which could form the basis for any such violation.

(f) There have been no Data Breaches involving the Company and/or any Personal Information in the possession of the Company.

4.23 Referral Sources.

(a) Referral Source Contracts. Attached as Schedule 4.23(a) are true and correct copies of the currently effective agreements with each Referral Source.

(b) Referral Payments. Schedule 4.23(b) sets forth, for the years 2014, 2015, 2016 and 2017, the payments made from the Company to each Referral Source.

(c) Disputes. Except for as described on Schedule 4.23(c), there is no existing dispute between the Company and any Referral Source and, to the Knowledge of the Transferor Parties, no Referral Source intends to terminate its agreement with the Company or materially reduce its referral volume from current levels as a result of the consummation of the Contemplated Transactions or otherwise.

4.24 Data Security.

(a) To the actual knowledge of Transferor Parties, no Person has gained unauthorized access to any computers, computer software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, or other information technology equipment, and associated documentation used by or on behalf of the Company or its affiliates or any Processor or service provider of the Company or its affiliates or any data stored thereon for purposes of exploitation of such data (including any Merchant data, Personal Information, or cardholder data) (a "Data Breach"). None of the Company, its affiliates or, to the actual knowledge of Transferor Parties, any Processor or Merchant, has received a "common point of purchase", "point of compromise" or similar notice, letter or inquiry relating to the Company's Business.

(b) The Company is not required to be in compliance with the Payment Card Industry Data Security Standards because it does not store, transmit or process "cardholder data" or "sensitive authentication data" (as such terms are defined in the Payment Card Industry Data Security Standards).

4.25 Debt Collection. The Company does not provide, and has not provided or marketed, services to any Merchant that imposes convenience fees and/or similar fees where

state law prohibits the collection of such convenience or similar fees. The Company does not provide, and has not provided or marketed, services to any Merchant involved in debt collection where any such Merchant imposes convenience fees where the agreement creating the applicable consumer debt does not expressly authorize the collection of such fees.

4.26 Solvency. Immediately after giving effect to the Closing and the Contemplated Transactions, Transferor (a) will be able to pay its debts as they become due and shall own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent Liabilities) and (b) shall have adequate capital to carry on its business. No transfer of property is being made and no obligations are being incurred in connection with the Contemplated Transactions with the intent to hinder, delay or defraud either present or future creditors of Transferor, the Company or any of its subsidiaries. Transferor Parties acknowledge that the Interests are being transferred to Acquiror or an affiliate of Acquiror in exchange for reasonably “equivalent value,” as such term or similar terms are used in any potentially applicable fraudulent conveyance Laws.

4.27 No Other Representations or Warranties. Except as specifically set forth in this Article IV (including the related portions of the Schedules), neither Transferor nor the Owner makes any representation or warranty in respect of this Agreement, the Interests or the Company’s Business.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF ACQUIROR

Acquiror represents and warrants to Transferor Parties as of the Closing Date, as follows:

5.1 Limited Liability Company Status. Acquiror (a) is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware, and (b) has all requisite limited liability company power and authority to carry on its business as now and heretofore conducted and to own, operate and lease its properties, and (c) is duly qualified or licensed to transact business in and is in good standing as a foreign limited liability company in all jurisdictions where Acquiror is required to be qualified or licensed to do business as a foreign limited liability company.

5.2 Limited Liability Company Authorization; Binding Effect. Acquiror has full limited liability company power and authority to execute and deliver the Transaction Documents and to perform its obligations thereunder. The Transaction Documents and performance and consummation of the Contemplated Transactions are and have been approved by all requisite limited liability company action of Acquiror. No other limited liability company or legal proceedings on the part of Acquiror are necessary to approve or authorize the execution and delivery of the Transaction Documents and the consummation of the Contemplated Transactions. The Transaction Documents have been duly executed and delivered by Acquiror and, assuming due authorization, execution and delivery of the Transaction Documents by Transferor Parties, each Transaction Document is the valid and legally binding obligation of Acquiror, enforceable in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor’s rights generally from time to time in effect and

limitations on enforcement of equitable remedies.

5.3 No Conflict. Acquiror's execution, delivery and performance of the Transaction Documents and consummation of the Contemplated Transactions and compliance with any of the provisions thereof will not (i) violate any Law to which Acquiror may be subject, (ii) conflict with or result in a breach of any provision of the Certificate of Organization or Limited Liability Company Agreement of Acquiror, (iii) require any consent, approval or authorization of, or notice to, or declaration, filing or registration with, any Governmental Authority that is required by Law or the regulations of any Governmental Authority, (iv) violate any Order of any Governmental Authority to which Acquiror may be subject, (v) violate, or conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both would constitute a default) under, or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or result in the creation of any Lien upon any of the properties of Acquiror or result in being declared void, voidable, without further binding effect, or subject to amendment or modification any of the terms, conditions or provisions of, any contract, license, franchise, permit, or other material instrument or commitment or obligation to which Acquiror may be bound or affected.

5.4 Brokers and Finders. Neither Acquiror nor its agents has engaged any finder or broker or incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions in connection with this Agreement and the Contemplated Transactions.

5.5 No Other Representations or Warranties. Except as specifically set forth in this Article V (including the related portions of the Schedules), Acquiror does not make any representation or warranty in respect of Acquiror or this Agreement.

ARTICLE VI COVENANTS OF TRANSFEROR PARTIES

6.1 Notices and Consents. To the extent that Transferor Parties have not obtained all necessary Licenses, consents, waivers or other authorizations or approvals or Required Consents (collectively, "consents") from any Governmental Authority or any private third-party as of the Closing and the Parties nonetheless elect to close, then upon request by Acquiror, Transferor Parties shall use their commercially reasonable efforts to: (a) obtain such consents as soon as practicable post-Closing, (b) cooperate with Acquiror in any reasonable and lawful arrangements under which Acquiror would obtain the benefit of the matter concerned; and (c) enforce for the account of Acquiror any rights of Transferor Parties arising from the matter concerned. Transferor Parties shall be liable for any costs incurred for obtaining such consents, including any payments required by consenting parties. If any consent cannot be obtained, Acquiror and Transferor Parties will reasonably cooperate in any legal and commercially reasonable arrangement to obviate the need for that consent.

6.2 Tax Matters.

- (a) Transferor Parties shall be responsible for paying all capital gains, income,

transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the sale of the Interests and the consummation of the transactions contemplated by this Agreement, and Transferor Parties shall be responsible for preparing and filing any Tax Returns in connection therewith.

(b) Transferor Parties shall be liable for and shall pay all Taxes in respect of or relating to the business, operations, or assets of Fairway Payments Incorporated, Transferor, or the Company for any period ending on or before the Effective Time. Taxes with respect to any period that begins before and ends after the Effective Time shall be allocated to the period ending on the Effective Time (i) on a per diem basis in the case of real and personal property Taxes and (ii) on the basis of an interim closing of the books at the Effective Time in the case of all other Taxes. Notwithstanding the foregoing, Transferor Parties shall also be liable for and shall pay all Taxes in respect of or relating to Fairway Payments Incorporated or the Company resulting from the Conversion the restructuring steps immediately preceding the Conversion (including any tax elections filed with the IRS) until the Closing Date.

(c) After the Closing, Transferor Parties and Acquiror shall (and shall cause their respective affiliates to):

(i) Make available to the other and to any taxing authority, as reasonably requested, all information, records, and documents with respect to Taxes relating to the business, operations, or assets of Fairway Payments Incorporated, Transferor, or the Company and preserve that information and those records and documents until the expiration of any applicable statute of limitations, including any extensions of that statute of limitations;

(ii) Provide timely notices to the other Party in writing of any pending or threatened Tax audits or assessments relating to the business, operations, or assets of Fairway Payments Incorporated, Transferor, or the Company for taxable periods for which the other party may have a responsibility under this Section 6.2 or otherwise; and,

(iii) Furnish the other Parties with copies of all correspondence received from any taxing authority in connection with any Tax audit or information request with respect to any taxable period for which the other party may have a responsibility under this Section 6.2 or otherwise.

(d) Notwithstanding any other indemnification provision in this Agreement, each of Transferor Parties agrees to jointly and severally indemnify, defend and hold harmless Acquiror Indemnified Parties from and against any and all Damages that Acquiror Indemnified Parties incur as a result of, or with respect to any (i) Taxes of or imposed on Transferor Parties; (ii) Taxes of or imposed upon Fairway Payments Incorporated, Transferor, or the Company with respect to any period ending on or before the Effective Time; (iii) Taxes imposed on Fairway Payments Incorporated, Transferor, or the Company under Treasury Regulations Section 1.1502-6 (and corresponding provisions of state, local, or foreign Law) as a result of having been a member of any federal, state, local or foreign consolidated, unitary, combined or similar group for any taxable period ending on or before, or that includes, the Closing Date, or as a transferee

or successor by contract or arrangement or pursuant to Law, or otherwise; (iv) any breach by Transferor Parties of any of the covenants and obligations contained in this Section 6.2; and (v) the breach or inaccuracy of the representations and warranties set forth in Section 4.17 of this Agreement. Any indemnity payment under this Agreement shall be treated by Transferor Parties and Acquiror as an adjustment to the Consideration for U.S. federal income tax purposes. Any indemnity payment required to be made pursuant to this Section 6.2(d) shall be paid within five (5) days after the Indemnified Party makes written demand upon the Indemnifying Party and provides reasonable evidence in support of such claim for Damages. In no event shall the indemnities provided for in this Section 6.2(d) be subject to the provisions of Article VIII of this Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement, each of the provisions set forth in this Section 6.2 shall survive until sixty (60) days after the expiration of the applicable statute of limitations (taking into account all valid extensions) for the applicable Taxes or Tax Return to which the provision relates; provided, however, in the event notice of any claim for indemnification under this Agreement shall have been given within the applicable survival period, the provisions that are the subject of the indemnification claim shall survive with respect to such claims until such time as such claim is finally resolved.

6.3 Noncompetition; Nonsolicitation.

(a) During the period beginning on the Closing Date and ending two (2) years from the last date of employment of the Owner with Acquiror or an affiliate of Acquiror, Transferor Parties as applicable will not, without the prior written consent of Acquiror, work with, provide services to, or own an interest in any business that competes directly or indirectly with the Company's Business, other than in Owner's capacity as an employee or equity holder of Acquiror or its affiliates. The foregoing agreement shall not be deemed to restrict (A) the ownership, directly or indirectly (including by a trust formed at the direction of a Transferor Party), of Transferor Parties of (i) equity securities representing less than 50% of the voting stock of Cleargage, Inc. which company now conducts, and will in the future conduct, a business similar to the Company's Business, (ii) equity securities of The Shared Collective, LLC provided that such company does not provide merchant processing services or refer merchant processing services to a processor in return for compensation, or (iii) up to three percent (3%) of any class of the outstanding capital stock of any corporation conducting a business similar to the Company's Business that is regularly traded on a national securities exchange; or (B) Owner from acting as a member of the board of directors of Cleargage, Inc. or a manager of The Shared Collective, LLC. The consideration for the foregoing agreement is included in the Consideration.

(b) During the period beginning on the Closing Date and ending two (2) years from the last date of employment of the Owner with Acquiror or an affiliate of Acquiror, Transferor Parties as applicable will not, other than in furtherance of the Owner's employment with Acquiror, without the prior written consent of Acquiror:

(i) hire, attempt to hire, solicit, induce, or attempt to solicit or induce any employee or independent contractor of Acquiror (including Referral Sources) to leave Acquiror's employment or to terminate his or her or its contractual and/or business relationship

with the Company; provided, however, that general advertising not targeting Acquiror's employees shall not be a breach of this

Section 6.3(b)(i);

(ii) Call on or communicate with (except if such contact is not to the business detriment of Acquiror), or divert or solicit, any of the Referral Sources or Merchants;

(iii) work with or provide services related to the Company's Business to any Merchant or other customer of Acquiror or any affiliate of Acquiror; or

(iv) encourage or persuade any Merchant or other customer of Acquiror or its affiliates not to enter into an agreement or to terminate an agreement with Acquiror or its affiliates or to obtain similar services from a competitor of Acquiror or its affiliates.

(c) The consideration for this Section 6.3 is included in the Consideration. The Parties specifically acknowledge and agree that the remedy at law for any breach of this Section 6.3 will be inadequate and that Acquiror, in addition to any other relief available to it, may be entitled to temporary and permanent injunctive relief without the necessity of proving actual damage. In addition, notwithstanding the provisions of Article VIII, Acquiror may be entitled to recover, directly from Transferor Parties its actual damages as a result of a breach of Section 6.3. The rights and remedies of the Parties to this Agreement are cumulative and not alternative.

6.4 Post-Closing Financial Audit Cooperation. After the Closing, Transferor Parties covenant and agree to use their reasonable best efforts to assist and cooperate with Acquiror and its accountants, independent auditors and other representatives (collectively the "Acquiror Audit Representatives") in the preparation of audited balance sheets, statements of income and cash flows, together with all footnotes and related disclosures (collectively, the "Audited Financial Statements"). The cooperation of Transferor Parties pursuant to this Section shall include (i) providing access to and copies of the Company's historic financial statements, records and any other information relevant to an audit of the Company and the Company's Business, (ii) assisting the Acquiror Audit Representatives in understanding the Company's financial position as of and at the pre-Closing dates requested and the results of operations and cash flows for the pre-Closing periods specified by the Acquiror Audit Representatives and (iii) making the Company's management available to respond to requests from the Acquiror Audit Representatives or render any management representations reasonably necessary or relevant to the preparation of the Audited Financial Statements. Transferor Parties acknowledge that a purpose of the covenant contained herein is so the Company's financial statements might be consolidated with the financial statements of Acquiror in conformity with United States generally accepted accounting principles and the SEC rules and guidance (including Regulation S-K) with respect to financial statements and financial reporting. As such, the Audited Financial Statements will be prepared in a form and substance suitable for inclusion on Form S-1 (or other eligible or successor form), and Transferor Parties' standard of cooperation pursuant to this Section shall reflect Transferor Parties' understanding of such purpose. For the avoidance of doubt, the Parties acknowledge that (i) to the extent the Audited Financial Statements differ from the Financial Statements, this Section 6.4 alone shall not give rise to an indemnity claim of Acquiror Indemnified Parties under

Article VIII if such difference would not otherwise have constituted a breach of Section 4.5 and (ii) nothing in this Section 6.4 shall be deemed to bar any claim by any Acquiror Indemnified Parties under Article VIII for a breach of Section 4.5. The Parties acknowledge and agree that Acquiror shall be liable for all out-of-pocket expenses incurred by Acquiror or a Transferor Party in connection with the preparation of the Audited Financial Statements and Acquiror will promptly reimburse Transferor Parties for any such expenses.

6.5 Termination of Non-Continuing Employees. Prior to the Closing, Transferor Parties shall have caused the Company to terminate all its employees except for the Continuing Employees.

ARTICLE VII COVENANTS OF ACQUIROR AND BOTH PARTIES

7.1 Confidentiality. The Parties agree that the existence of this Agreement (including any reference to the transaction generally) and the terms and conditions hereof and the other Transaction Documents (collectively, "Transaction Information") shall not be disclosed to any third party without prior written consent of the non-disclosing Party, and none of Parties, nor any representative thereof shall distribute or provide access to this Agreement or the other Transaction Documents, or the contents or any part thereof, to any third party, except to a Party's legal and financial advisors, lenders and accountants and in any case as required by Law or accounting practice or to allow attorneys to enforce or interpret the Agreement. Notwithstanding the foregoing, nothing in this Section 7.1 shall prohibit Acquiror or its affiliates from disclosing any Transaction Information in connection with any financing, business combination, public offering, or other similar transaction.

7.2 Post-Closing Access to Information.

(a) Transferor Parties and Acquiror acknowledge that subsequent to Closing each Party may need access to information or documents in the control or possession of the other Party for the purposes of concluding the Contemplated Transactions, audits, compliance with Laws and governmental requirements, and the prosecution or defense of third-party claims. Accordingly, Transferor Parties and Acquiror agree that until the later of the four (4) year anniversary of the Closing Date or the expiration of any applicable statute of limitations pertaining to Tax matters, to the extent permitted by Law, each will make reasonably available to the other's agents, independent auditors and/or governmental agencies upon written request and at the expense of the requesting Party such documents and information as may be available for periods prior and subsequent to Closing to the extent necessary to facilitate concluding the Contemplated Transactions, audits, compliance with Laws and governmental requirements and regulations and the prosecution or defense of third-party claims. In addition, Transferor Parties shall make available to Acquiror, at Acquiror's cost and expense, upon reasonable notice and during normal business hours, the Company's Books and Records to the extent not transferred to Acquiror but necessary to Acquiror in the preparation of Tax Returns.

(b) Upon request, each of the Parties shall cooperate with the other in good faith, at the requesting Party's expense, in furnishing information, testimony and other assistance

in connection with any actions, Proceedings, arrangements, or disputes involving any of the Parties (other than in a dispute among such parties or entities) and based upon contracts, arrangements or acts of the Company or any Party hereto which were in effect or occurred prior to the Closing. Acquiror shall cause to be provided any information or documents reasonably requested by the Company in connection with Tax or other disputes, settlements, investigations, Proceedings or other matters in respect of any period ending at or prior to the Closing. The Party requesting documents or information pursuant to this Section 7.2 shall pay all fees and expenses paid to unaffiliated third parties by the Party providing such documents or information in connection with providing such information or document.

(c) As described on Schedule 2.3, all books, records and files of the Company, including electronic or email communications or files, relating to the negotiation and preparation of this Agreement or any Transfer Documents, have been distributed to Transferor. The Parties acknowledge that such books, records and files are not property of the Company and are confidential to Transferor and Transferor Parties and that Transferor Parties intend to preserve the attorney-client and work product privileges relating to such materials.

7.3 Further Assurances and Cooperation, Misdirected Payments. Transferor Parties shall, at any time and from time to time at and after the Closing, upon the request of Acquiror, take any and all steps reasonably necessary and within Transferor Parties' control to place Acquiror in possession and operating control of the Company and the Interests and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required to transfer and confirm more effectively to Acquiror or to its successors or assigns, or to reduce to possession, any or all of such Interests and to carry out the purposes and intent of this Agreement. From and after the date of this Agreement, upon the request of any Party, the other Parties shall furnish such further information, execute and deliver such schedules, instruments, documents or other writings and take such actions as may be reasonably necessary or desirable to confirm and carry out and to fully effectuate the intent and purposes of this Agreement.

7.4 Nondisparagement. During the period beginning on the Closing Date and ending two (2) years from the last date of employment of the Owner with Acquiror or an affiliate of Acquiror, neither Acquiror nor Transferor Parties will disparage another Party or any of its respective affiliates, members, directors, officers, employees or agents. For purposes of clarity, statements made by a Party in the context of a good-faith pursuit of a claim or action against the other Party in connection with this Agreement shall not give rise to a breach of this Section 7.4.

ARTICLE VIII INDEMNIFICATION

8.1 Survival. The representations and warranties made by Transferor Parties in this Agreement shall survive the Closing Date and shall continue in full force and effect for a period of seventeen (17) months thereafter; provided, however, (i) each of the representations and warranties set forth in Article III (Representations and Warranties of Transferor Parties),

Section 4.1 (Status), Section 4.2 (Authorization; Binding Effect), and the first two sentences of Section 4.12 (Title to and Sufficiency of Assets) shall survive indefinitely and (ii) each of the representations and warranties set forth in Section 4.15 (Employee Benefit Plans), Section 4.17 (Taxes) and Section 4.18 (Environmental Matters) shall survive until sixty (60) days after the last day upon which any claim could be made against Acquiror or the Company or could be made that would affect Acquiror or the Company relating to such matters (the representations and warranties referenced in Section 8.1(i) and Section 8.1(ii) being the “Fundamental Representations”). The representations and warranties made by Acquiror in this Agreement shall survive the Closing Date and continue in full force and effect for a period of seventeen (17) months thereafter; provided, however, the representations and warranties set forth in Section 5.1 (Status) and Section 5.2 (Authorization, Binding Effect) shall survive indefinitely. The covenants and agreements made by the Parties in this Agreement shall survive the Closing Date indefinitely or for the period stated therein. In each case, the period from the date hereof until the last date on which a representation, warranty, covenant or other obligation survives shall be known as the “Survival Period.”

8.2 Indemnification by Transferor Parties. Subject to the provisions herein set forth, Transferor Parties agree to, jointly and severally, indemnify, defend and hold harmless Acquiror Indemnified Parties from and against and shall pay to Acquiror Indemnified Parties the amount of, or reimburse Acquiror Indemnified Parties for, any and all Damages that Acquiror Indemnified Parties incur as a result of, or with respect to (except as caused by the acts or omissions of any Acquiror Indemnified Party, and whether or not in connection with any third-party claim):

(a) the inaccuracy or breach of (i) any Fundamental Representation or (ii) any other representation or warranty contained in or made pursuant to this Agreement, including the Schedules, supplements to the Schedules, any Transaction Document or other certificate delivered by Transferor Parties pursuant to this Agreement;

(b) the non-compliance with or failure to perform any agreement or covenant of Transferor Parties contained in or made pursuant to this Agreement; Parties;

(c) the claims of any broker, finder or other Person engaged by Transferor

(d) any Benefit Plan established or maintained by the Company prior to the Closing Date or any severance payments due to employees of the Company terminated prior to the Closing Date;

(e) Chargeback liability to SPS under Section 9(a) of the SPS Referral Agreement resulting from an action or omission of the Company prior to the Closing Date;

(f) any Covered Liabilities, provided, however, that for purposes of clarity, any pre-Closing Liabilities that are taken into account as True-Up Credits pursuant to Section 2.4 shall not be “Covered Liabilities” for purposes of this Section 8.2(f) to the extent classification of such Liabilities as Covered Liabilities would result in a duplicate recovery by any Acquiror

Indemnified Party under Section 2.4 and this Section 8.2(f);

(g) any Closing Date Indebtedness that is not properly identified by Transferor Parties or that is not otherwise deducted from the Consideration at Closing and remains owing after the Closing;

(h) any fraud or criminal acts of any of Transferor Parties;

(i) the breach of or non-compliance with any Contract between (x) any potential third-party buyer of the Company or the Company's assets and (y) any Transferor Parties or the Company, in each case with respect to a Pre-Closing Period; and

(j) any claim asserted by a third party relating to or resulting from any of the foregoing items (a) through (i).

8.3 Indemnification by Acquiror. Subject to the conditions and provisions herein set forth, Acquiror agrees to indemnify, defend and hold harmless Transferor Indemnified Parties from and against and shall pay to Transferor Indemnified Parties the amount of, or reimburse Transferor Indemnified Parties for, any and all Damages that Transferor Indemnified Parties incur as a result of, or with respect to (except as caused by the acts or omissions of any Transferor Indemnified Party, and whether or not in connection with any third-party claim):

(a) the inaccuracy or breach of any representation or warranty contained in or made pursuant to this Agreement, including the Schedules, supplements to the Schedules, any Transaction Document or any other certificate delivered by Acquiror pursuant to this Agreement;

(b) the non-compliance with or failure to perform any agreement or covenant of Acquiror contained in or made pursuant to this Agreement;

(c) Chargeback liability to SPS under Section 9(a) of the SPS Referral Agreement resulting from an action or omission of the Company or Acquiror after Closing; and

(d) the claims of any broker, finder or other Person engaged by Acquiror;

(e) any fraud or criminal acts of any of Acquiror; and

(f) any claim asserted by a third party relating to or resulting from any of the foregoing items (a) through (e).

8.4 Limitations. Any claim for indemnification must be asserted before the expiration of the applicable Survival Period set forth in Section 8.1; provided, however, in the event notice of any claim for indemnification shall have been given within the applicable Survival Period, the provisions that are the subject of the indemnification claim shall survive with respect to such claims until such time as such claim is finally resolved. Transferor, the Owner or Acquiror shall have no liability under Section 8.2(a)(ii) or Section 8.3(a), as applicable, until the total of all Damages incurred by the Acquiror Indemnified Parties or the Transferor Indemnified Parties, as applicable, with respect to such matters exceeds Two Hundred Fifty Thousand United States

Dollars (\$250,000) (the “General Deductible”), in which event the applicable Indemnifying Party shall only be required to pay or be liable for all such Damages exceeding the General Deductible. Transferor Parties shall have no liability under Section 8.2(i) until the total of all Damages incurred by the Acquiror Indemnified Parties with respect to such matters exceeds One Hundred Thousand United States Dollars (\$100,000) (the “Specific Deductible”), in which event the applicable Indemnifying Party shall only be required to pay or be liable for all such Damages exceeding the Specific Deductible. The aggregate amount of Damages that may be recoverable by Acquiror Indemnified Parties or Transferor Indemnified Parties pursuant to Section 8.2(a)(ii) or Section 8.3(a), as applicable, shall not exceed Three Million Nine Hundred Thousand United States Dollars (\$3,900,000), except that, notwithstanding the foregoing, such amount recoverable shall not exceed Seven Million Eight Hundred Thousand United States Dollars (\$7,800,000) for breaches of the representations and warranties set forth in Sections 4.5 (Financial Representations). Acquiror agrees that, absent fraud, from and after the Closing, and except as set forth in Section 6.2 and Section 10.12, the indemnification provided in this Article VIII is the exclusive remedy for a breach by Transferor or the Owner of any representation, warranty, agreement or covenant contained in this Agreement. The limitations set forth in this Section 8.4 shall not apply to fraud of any Indemnifying Party.

8.5 Indemnification Procedures.

(a) Whenever any indemnification claim shall arise in favor of a Person entitled to indemnification under this Article VIII (the “Indemnified Party”), including the assertion of any claim or liability against such Indemnified Party by a third party in writing that would give rise to a claim under this Article VIII, the Indemnified Party shall notify the Person giving the indemnity (“Indemnifying Party”) in writing as soon as reasonably practicable but at least within thirty (30) days of (i) such Indemnified Party receiving actual knowledge of the facts constituting the basis for such indemnification claim, or, (ii) in the case of a third-party claim, receipt of a written third-party assertion of a claim or liability. Failure to send such written notice shall not release the Indemnifying Party from liability hereunder, unless such failure materially prejudices the Indemnifying Party’s defense of the claims that are the subject of the written notice.

(b) The Indemnifying Party shall have the right to defend a third-party claim and control the defense, settlement and prosecution of any litigation. Each Indemnified Party shall reasonably cooperate with the Indemnifying Party in any such litigation defense, settlement or prosecution, and the Indemnifying Party shall reimburse each Indemnified Party for the actual out-of-pocket expenses incurred by the Indemnified Party as a result of such cooperation. The Indemnified Parties shall have the right to approve defense counsel selected by the Indemnifying Party, which approval shall not be unreasonably withheld. The Indemnified Party shall be entitled to participate in the defense of such action, lawsuit, proceeding or claim, and employ separate counsel of its choice for such purpose, provided, however, that payment of the fees and expenses of such separate counsel shall be the responsibility of the Indemnified Party. If the Indemnifying Party, within ten (10) days after notice of such claim, fails to defend such claim, the Indemnified Party will (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such claim on behalf of, at the sole cost and expense of, and for the account and risk of the Indemnifying Party without impairing its right to

indemnification hereunder. Anything in this Section 8.5 notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right, at its own cost and expense, to defend, compromise and settle such claim without impairing its right to indemnification hereunder, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, settle or compromise any claim or consent to the entry of any judgment that (a) provides for relief other than the payment of monetary damages, (b) does not include as an unconditional term thereof the giving by the claimant to the Indemnified Party a release from all liability in respect to such claim, or (c) contains an admission of liability or violation of Law. All Parties agree to cooperate fully as necessary in the defense of such matters.

8.6 Disregarding Materiality Exceptions. For the sole purpose of calculating the dollar amount of Damages to which an Indemnified Party is entitled under this Article VIII (and not for purposes of determining whether or not an indemnity obligation exists under Section 8.2, Section 8.3 and Section 8.4 of this Agreement), the terms “material,” “materiality,” and other qualifiers, modifiers or limitations shall be disregarded.

8.7 Other Adjustments.

(a) In addition to, and not in limitation of, the foregoing, beginning on the last day of the month immediately following the month of the Closing Date and thereafter on or before the last day of each of the next eleven (11) calendar months, in the event any Merchant Chargeback Losses for which the Company or Acquiror are responsible under Section 8.3(c) or for which the Transferor Parties are responsible under Section 8.2(e) (as applicable, the “Incurring Party”), such Incurring Party shall prepare and deliver to the non-Incurring Party a statement (the “Merchant Chargeback Losses Statement”) setting forth (i) the calculation of Merchant Chargeback Losses incurred during the prior calendar month; and (ii) any resulting indemnification due to the non-Incurring Party, under this Article VIII (a “Chargeback Adjustment Amount”).

(b) The non-Incurring Party shall have fifteen (15) days after the delivery of the Merchant Chargeback Losses Statement during which to notify the Incurring Party in writing of any dispute with any item contained in the Merchant Chargeback Losses Statement, which notice (the “Merchant Chargeback Losses Statement Notice of Disagreement”) shall set forth in reasonable detail the basis for such dispute. During such fifteen (15) day period, the Incurring Party shall provide the non-Incurring Party and its agents with access upon prior written notice at reasonable times to the books, records and personnel of Incurring Party for purposes of reviewing the Merchant Chargeback Losses Statement, provided that such access does not unreasonably interfere with the personnel of Incurring Party in completing their responsibilities. If the non-Incurring Party fails to notify Incurring Party of any such dispute within such fifteen (15) day period, the Merchant Chargeback Losses Statement shall be the final Merchant Chargeback Losses Statement for such period. In the event that the non-Incurring Party provides the Merchant Chargeback Losses Statement Notice of Disagreement, Incurring Party, the non-Incurring Party and their respective agents shall cooperate in good faith to resolve such dispute as promptly as possible.

(c) If Incurring Party, the non-Incurring Party and their respective agents are unable to resolve any such dispute within ten (10) days after the non-Incurring Party's delivery of the Merchant Chargeback Losses Statement Notice of Disagreement, such dispute shall be submitted to the to the Arbitrator. The Arbitrator shall make its determination regarding the disputed items as promptly as practicable, and such determination shall be the final Merchant Chargeback Losses Statement for such period. The Arbitrator shall determine whether and to what extent, if any, the Merchant Chargeback Losses Statement requires adjustment with respect to the matters specified in the Merchant Chargeback Losses Statement Notice of Disagreement. Any expenses relating to the engagement of the Arbitrator shall be borne by the Party whose calculation of the Chargeback Adjustment Amount is further from the applicable amount as finally determined by the Arbitrator. The Arbitrator shall be instructed to use every reasonable effort to perform its services within fifteen (15) days of the Arbitrator's engagement and, in any case, as soon as practicable after submission thereof. The Merchant Chargeback Losses Statement, as modified by resolution of any disputes by Incurring Party and the non-Incurring or by the Arbitrator, shall be final and binding on the Parties. The Parties shall make available to the Arbitrator, as applicable, such books, records and other information as the Arbitrator may reasonably request to determine the Merchant Chargeback Losses Statement.

(d) If the Merchant Chargeback Losses Statement for any period, as finally determined pursuant to this Section 8.7, reflects a Chargeback Adjustment Amount, not later than five (5) Business Days after the date the Merchant Chargeback Losses Statement is finally determined for any given period, the non-Incurring Party shall have the obligation to pay to Incurring Party the Chargeback Adjustment Amount in cash or other immediately available funds. For the avoidance of doubt, if there is no dispute with any item contained in the Merchant Chargeback Losses Statement, then the non-Incurring Party shall pay to Incurring Party the Chargeback Adjustment Amount in cash or other immediately available funds within fifteen (15) calendar days of receipt of the Merchant Chargeback Losses Statement.

**ARTICLE IX
NOTICES**

All notices and other communications hereunder shall be in writing and shall be given to the Parties via facsimile, hand delivery, or nationally recognized and reputable overnight delivery service, addressed to the Parties as follows:

Acquiror: i3 Verticals, LLC
40 Burton Hills Boulevard
Suite No. 415
Nashville, Tennessee 37215
Attention: Greg Daily

with copies to: Frost Brown Todd LLC
150 Third Avenue South
Suite No. 1900
Nashville, Tennessee 37201
Attention: Howard W. Herndon

Facsimile: 615-251-5551
Email: HHerndon@FBTlaw.com

Transferor Parties: FPI Holdings, Inc.
300 N. Lee Street, Suite 500
Alexandria, VA 22314
Attention: Craig Shapero

with copies to: Liles Parker PLLC
2121 Wisconsin Ave. N.W., Suite 200
Washington, DC 20007
Attention: Andrew C. Lynch
Email: ALynch@lilesparker.com

Each such notice and other communication shall be deemed, for all purposes of this Agreement, to have been given and received (i) if given by email, when the email is transmitted to the Party's email address specified above and confirmation of complete receipt is received by the transmitting Party during normal business hours on any Business Day or on the next Business Day if not confirmed during normal business hours; (ii) if by hand, when delivered; (iii) if given by nationally recognized and reputable overnight delivery service, the Business Day on which the records of such delivery service show that such notice was delivered to the Party. Any Party from time to time may change its address or facsimile number for the purpose of receipt of notices to that Party by giving a similar notice specifying a new address or facsimile number to the other notice Parties listed above in accordance with the provisions of this Article IX.

ARTICLE X

MISCELLANEOUS

10.1 Fees and Expenses. Except as otherwise expressly provided in this Agreement, each Party will pay its own costs and expenses incurred in connection with the negotiation, preparation and performance of this Agreement and the other Transaction Documents, including the fees and expenses of its counsel, accountants, brokers and financial advisors whether or not such transactions are consummated.

10.2 Public Announcement. No Party shall, prior to or after the Closing, without the approval of the other Parties, issue any press release or other public announcement concerning this Agreement or the Contemplated Transactions. Notwithstanding the foregoing, nothing contained in this Section 10.2 is deemed to prohibit, limit or restrict communications by either Party with Governmental Authorities, Acquiror's affiliates or lenders or Transferor Parties' affiliates, customers and suppliers or any party to obtain the Required Consents regarding the Contemplated Transactions.

10.3 Entire Agreement. This Agreement (together with the Schedules and the other Transaction Documents) contains the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior oral discussions and written

agreements with respect thereto (including any term sheet or similar agreement or document relating to the Contemplated Transactions). There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein and in the other Transaction Documents.

10.4 Amendment and Waiver. This Agreement may be modified, supplemented or amended only by a written instrument duly executed by each of the Parties. Any term or condition of this Agreement may be waived at any time by the Party entitled to the benefit thereof. Any such waiver must be in writing and must be duly executed by such Party. All rights and remedies of the Parties to this Agreement are cumulative and not alternative. No failure or delay by any Party in exercising any right, power or privilege under this Agreement or the other Transaction Documents will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach, provision or requirement on any other occasion.

10.5 Counterparts; Electronic Signatures. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures on this Agreement by facsimile or other electronic imaging technology shall be deemed to be original signatures for all purposes.

10.6 Governing Law; Construction. This Agreement shall be governed by and interpreted, construed and enforced in accordance with the Laws of the State of Delaware applicable to a contract executed and performed in such state, excluding any conflicts of law, rule or principle that would refer the governance, interpretation, construction or enforcement of this Agreement to the Laws of another jurisdiction, and such application of Delaware law shall not be vitiated by any allegations of fraud. In as much as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, the Parties agree that no provisions of this Agreement or any related document shall be construed for or against or interpreted to the advantage or disadvantage of any Party hereto by any court or other Governmental Authority by reason of any Party's having or being deemed to have structured or drafted such provision, each Party having participated equally in the structuring and drafting hereof.

10.7 Venue; Waiver of Jury Trial. To the fullest extent permitted by applicable Law, each Party hereto (a) agrees that any claim, action or Proceeding by such Party seeking any relief whatsoever arising out of, or in connection with, this Agreement or the Contemplated Transactions shall be brought only in (1) any State or Federal courts located in Davidson County, Tennessee, if such action is initiated by any Transferor Party or any Transferor Indemnified Party, or (2) any State or Federal courts located in Fairfax County, Virginia, if such action is initiated by Acquiror or any Acquiror Indemnified Party, and not in any other State or Federal court in the United States of America or any court in any other country, (b) agrees to submit to the exclusive jurisdiction of such courts for purposes of all legal Proceedings arising out of, or in connection with, this Agreement or the Contemplated Transactions, (c) waives and agrees not to

assert any objection that it may now or hereafter have to the laying of the venue of any such Proceeding brought in such a court or any claim that any such Proceeding brought in such a court has been brought in an inconvenient forum, and (d) agrees that a final judgment in any such action or Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. Notwithstanding anything to the contrary contained in this Section 10.7, matters addressed in Section 8.7(c) shall be controlled by its arbitration procedures. **EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY, FROM WHATEVER SOURCE ARISING, IN CONNECTION WITH ANY LITIGATION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

10.8 Binding Effect; No Assignment; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, including successors by merger or otherwise. Neither this Agreement nor any right hereunder or part hereof may be assigned by any Party hereto without the prior written consent of the other Parties, except that Acquiror may assign this agreement and its rights hereunder to an affiliate of Acquiror or to a person or entity that acquires or otherwise succeeds to the Company's Business (whether by sale of assets, equity, merger, or otherwise). The terms and provisions of this Agreement are intended solely for the benefit of Transferor Parties, Acquiror and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

10.9 Severability; Invalid Provisions. It is the intention of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the Laws and public policies of each state and jurisdiction in which such enforcement is sought, and that the unenforceability (or the modification to conform with such Laws or public policies) of any provision hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, (a) such provisions will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms and effect to such illegal, invalid or unenforceable provision as may be possible (or, in the alternative, should any provision contained in this Agreement be reformed or rewritten by any Governmental Authority, such provision as so reformed shall be fully binding on the Parties as if originally a part hereof).

10.10 Interpretation. In this Agreement, unless the context otherwise requires:

(a) subject to the provisions of Section 10.8, references to any Party to this Agreement shall include references to its respective successors and permitted assigns;

(b) the terms “hereof,” “herein,” “hereby,” and derivative or similar words will refer to this entire Agreement;

(c) the gender of all words herein shall include the masculine, feminine and neuter, and the case of all words herein shall include the singular and plural;

(d) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the Parties from time to time;

(e) the descriptive headings and numbers of the Articles, Sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement;

(f) the word “including” shall mean including without limitation; and

(g) all schedules and exhibits referred to in or attached to this Agreement are integral parts of this Agreement as if fully set forth herein, and all statements appearing therein shall be deemed to be disclosed only in connection with the specific representation to which they are explicitly referenced and not in any event for all and general purposes under the Agreement.

10.11 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

10.12 Specific Performance; Injunctive Relief. Each Party shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the obligations of the other Parties pursuant to this Agreement and the Transaction Documents not only by an action or actions for Damages, but also by an action or actions for specific performance, injunctive relief and/or other equitable relief, without posting any bond or other undertaking. The Parties acknowledge and agree that any breach or threatened breach of any post-Closing covenant by any Party will likely result in some irreparable injury.

10.13 Collateral Security. Acquiror may, without the written consent of the other Parties, assign its rights under this Agreement and the other Transaction Documents for collateral security purposes to any lender providing financing to Acquiror or any of their affiliates and any such lender may exercise all of the rights and remedies of Acquiror hereunder and thereunder.

[Signature page follows.]

ACQUIROR:

i3 VERTICALS, LLC

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Secretary, CFO

TRANSFEROR:

FPI HOLDINGS, INC.

By: _____

Name: Craig Shapero

Title: President

OWNER:

CRAIG SHAPERO

IN WITNESS WHEREOF, the Parties have caused this Membership Interest Purchase and Contribution Agreement to be executed as of the date first above written.

ACQUIROR:

i3 VERTICALS, LLC

By: _____
Name: _____
Title: _____

TRANSFEROR:

FPI HOLDINGS, INC.

By: /s/ Craig Shapero _____
Name: Craig Shapero
Title: President

OWNER:

CRAIG SHAPERO
/s/ Craig Shapero _____

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**OF****i3 VERTICALS, INC.**

i3 Verticals, Inc., a corporation organized and existing under the laws of the State of Delaware (the “**Corporation**”), hereby certifies as follows:

1. The original Certificate of Incorporation of the Corporation was filed with the Office of the Secretary of State of the State of Delaware on January 17, 2018 (the “**Original Certificate**”) under the same name.

2. The Corporation is filing this Amended and Restated Certificate of Incorporation of the Corporation (the “**Amended and Restated Certificate of Incorporation**”), which restates, integrates and further amends the Original Certificate, and which was duly adopted by all necessary action of the board of directors of the Corporation (the “**Board of Directors**”) and the stockholders of the Corporation in accordance with the provisions of Sections 242, 245 and 228 of the General Corporation Law of the State of Delaware (the “**DGCL**”).

3. The text of the Original Certificate is hereby amended and restated in its entirety by this Amended and Restated Certificate of Incorporation to read in full as follows:

ARTICLE I.

The name of the Corporation is i3 Verticals, Inc.

ARTICLE II.

The address of the Corporation’s registered office in the State of Delaware is 160 Greentree Drive, Suite 101, Dover, County of Kent, Delaware 19904. The name of its registered agent at such address is National Registered Agents, Inc.

ARTICLE III.

The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV.

Section 4.1 Authorized Stock. The total number of shares of all classes of stock that the Corporation is authorized to issue is two hundred million (200,000,000), consisting of:

(a) One hundred fifty million (150,000,000) shares of Class A common stock, with a par value of \$0.0001 per share (the “**Class A Common Stock**”);

(b) Forty million (40,000,000) shares of Class B common stock, with a par value of \$0.0001 per share (the “**Class B Common Stock**” and together with the Class A Common Stock, the “**Common Stock**”); and

(c) Ten million (10,000,000) shares of preferred stock, with a par value of \$0.0001 per share (the “**Preferred Stock**”).

Section 4.2 **Preferred Stock.** The Board of Directors is authorized, subject to any limitations prescribed by law, to provide, out of the unissued shares of Preferred Stock, for the issuance of shares of Preferred Stock in one or more series, and by filing a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a “**Preferred Stock Designation**”), to establish from time to time the number of shares to be included in each such series and to fix the powers, designations, preferences and rights, and qualifications, limitations or restrictions thereof, including, without limitation, the authority to fix or alter the dividend rights, dividend rates, conversion rights, exchange rights, voting rights, rights and terms of redemption (including sinking and purchase fund provisions), the redemption price or prices, restrictions on the issuance of shares of such series, the dissolution preferences and the rights in respect to any distribution of assets of any wholly unissued series of Preferred Stock and the number of shares constituting any such series, and the designation thereof, or any of them and to increase or decrease the number of shares of any series so created (except where otherwise provided in the Preferred Stock Designation), subsequent to the issue of that series but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

Section 4.3 **Number of Authorized Shares.** The number of authorized shares of any of the Class A Common Stock, Class B Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of any holders of the Class A Common Stock, Class B Common Stock or Preferred Stock, or of any series thereof, unless a separate vote of any such holders of Preferred Stock, or of any series thereof, is required pursuant to the terms of any Preferred Stock Designation, irrespective of the provisions of Section 242(b)(2) of the DGCL.

Section 4.4 **Common Stock.** The powers, preferences and rights of the Class A Common Stock and the Class B Common Stock, and the qualifications, limitations or restrictions thereof are as follows:

(a) **Voting Rights.** Except as otherwise required by law,

(i) Each share of Class A Common Stock shall entitle the record holder thereof as of the applicable record date to one (1) vote in person or by proxy on all matters submitted to a vote of the holders of Class A Common Stock, whether voting separately as a class or otherwise.

(ii) Each share of Class B Common Stock shall entitle the record holder thereof as of the applicable record date to one (1) vote in person or by proxy on all matters submitted to a vote of the holders of Class B Common Stock, whether voting separately as a class or otherwise.

(iii) Except as otherwise required in this Amended and Restated Certificate of Incorporation or by applicable law, the holders of shares of Common Stock shall vote together as a single class (or, if any holders of shares of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of Preferred Stock) on all matters submitted to a vote of the holders of Common Stock of the Corporation.

(b) Dividends and Distributions. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock, dividends may be declared and paid on the Class A Common Stock to the extent not prohibited by law, at such times and in such amounts as the Board of Directors in its discretion shall determine. Dividends shall not be declared or paid on the Class B Common Stock, except that the Corporation may declare and pay a dividend to the holders of Class B Common Stock consisting of additional shares of Class B Common Stock (or rights to acquire Class B Common Stock) and cash payments in lieu of issuing fractional shares of Class B Common Stock.

(c) Liquidation Rights. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock, in the event of liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation and after making provisions for preferential and other amounts, if any, to which the holders of Preferred Stock shall be entitled, the remaining assets and funds of the Corporation available for distribution shall be divided among and paid ratably to the holders of all outstanding shares of Class A Common Stock and Class B Common Stock in proportion to the number of shares held by each such stockholder; provided, that the holders of shares of Class B Common Stock shall be entitled to receive \$0.0001 per share, and upon receiving such amount, the holders of shares of Class B Common Stock, as such, shall not be entitled to receive any other assets or funds of the Corporation. A consolidation, reorganization or merger of the Corporation with any other Person or Persons (as defined below), or a sale of all or substantially all of the assets of the Corporation, shall not be considered to be a dissolution, liquidation or winding up of the Corporation within the meaning of this Section 4.4(c).

(d) Class B Common Stock.

(i) Shares of Class B Common Stock may be issued only to, and registered in the name of, the Existing Owners (as defined below), their respective successors and assigns as well as their respective transferees in accordance with Section 4.5 (including all subsequent successors, assigns and Permitted Transferees (as defined below)) (the Existing Owners together with such persons, collectively, the “**Permitted Class B Owners**”). As used in this Amended and Restated Certificate of Incorporation, “**Existing Owner**” means each of the holders of Common Units (as defined below) of i3 Verticals, LLC, or any successor entities thereto, as set forth on the records of i3 Verticals, LLC as of the effectiveness of the Amended and Restated Certificate of Incorporation, a copy of which shall be provided to any stockholder of the Corporation following a request therefor.

(ii) The Corporation shall, to the fullest extent permitted by law, undertake all necessary and appropriate action (including undertaking action within its power in its capacity as Manager (as defined in the LLC Agreement) of i3 Verticals, LLC) to ensure that the number of shares of Class B Common Stock issued by the Corporation at any time to any Permitted Class B Owner shall be equal to the aggregate number of Common Units (other than Common Units issuable upon the exercise of any options, warrants or rights) held of record by such Permitted Class B Owner in accordance with Article VI, as applicable. In furtherance of the foregoing, each Permitted Class B Owner shall have the right to acquire from the Corporation (for a purchase price equal to the aggregate par value thereof) a number of shares of Class B Common Stock equal to the number of Common Units then owned by such Permitted Class B Owner (excluding Common Units issuable upon the exercise of any options, warrants or rights). As used in this Amended and Restated Certificate of Incorporation, “**Common Unit**” means a membership interest in i3 Verticals, LLC, authorized and issued under the Limited Liability Company Agreement of i3 Verticals, LLC, dated as of the date hereof, as such agreement may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time (the “**LLC Agreement**”), and constituting a “**Common Unit**” as defined in such LLC Agreement.

(iii) From and after the filing of this Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the “**Effective Time**”), additional shares of Class B Common Stock may be issued only to, and registered in the name of, the Permitted Class B Owners in accordance with Article VI and the aggregate number of shares of Class B Common Stock following any such issuance registered in the name of each such Permitted Class B Owner must be equal to the aggregate number of Common Units (other than Common Units issuable upon the exercise of any options, warrants or rights) held of record by such Permitted Class B Owner under the LLC Agreement as set forth in Section 4.4(d)(ii).

(iv) In the event that (1) the Corporation is a constituent entity to, or otherwise undergoes, a merger, consolidation or other business transaction in which shares of Common Stock are exchanged for or converted into other stock or securities, or the right to receive cash and/or any other property, other than a merger or consolidation that would result in the shares of Common Stock, Preferred Stock and/or any other class or classes of capital stock of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than fifty percent (50%) of the combined voting power of the shares of capital stock of such surviving or resulting entity outstanding immediately after such merger or consolidation in substantially the same proportion as the ownership of voting securities immediately prior to such event, or (2) there is any tender or exchange offer by any third party to acquire shares of Class B Common Stock and holders of shares of Class B Common Stock tender or exchange any such shares of Class B Common Stock, then, in each case, immediately before the consummation of any such action or transaction, the Corporation shall redeem, to the fullest extent permitted by law, the Class B Common Stock for a per share cash amount equal to the par value of a share of Class B Common Stock.

Section 4.5 Transfer of Class B Common Stock.

(a) A holder of Class B Common Stock may surrender shares of Class B Common Stock to the Corporation for no consideration at any time. Following the surrender of any shares of Class B Common Stock to the Corporation, the Corporation will take all actions necessary to retire such shares and such shares shall not be re-issued by the Corporation (other than to a Permitted Class B Owner).

(b) Except as set forth in Section 4.5(a), a holder of Class B Common Stock may transfer or assign shares of Class B Common Stock (or any legal or beneficial interest in such shares) to any transferee or assignee only to the extent permitted by the LLC Agreement (a "**Permitted Transfer**" and a holder of Class B Common Stock pursuant to a Permitted Transfer, a "**Permitted Transferee**") and only if such holder also simultaneously transfers an equal number of such holder's Common Units to such transferee in compliance with the LLC Agreement. The transfer restrictions described in this Section 4.5(b) are referred to as the "**Restrictions**".

(c) Any purported transfer of shares of Class B Common Stock in violation of the Restrictions shall be null and void. If, notwithstanding the Restrictions, a Person shall, voluntarily or involuntarily, purportedly become or attempt to become, the purported owner ("**Purported Owner**") of shares of Class B Common Stock in violation of the Restrictions, then the Purported Owner shall not obtain any rights in and to such shares of Class B Common Stock (the "**Restricted Shares**"), and the purported transfer of the Restricted Shares to the Purported Owner shall not be recognized by the Corporation, the Corporation's transfer agent (the "**Transfer Agent**") or the Secretary of the Corporation, as determined by the Board of Directors and each Restricted Share shall, to the fullest extent permitted by law, automatically, without any further action on the part of the Corporation, the holder thereof, or any other party, lose all voting rights as set forth herein and become a non-voting share.

(d) Notwithstanding the foregoing Restrictions, in the event that any outstanding share of Class B Common Stock shall cease to be held by a holder of Common Units, such share shall automatically and without further action on the part of the Corporation or any holder of Class B Common Stock be transferred to the Corporation for no consideration, and the Corporation will take all actions necessary to retire such share and such share shall not be re-issued by the Corporation (other than to a Permitted Class B Owner). Notwithstanding the foregoing Restrictions, in the event that any holder of the Class B Common Stock no longer holds an interest in the Common Units, such shares of Class B Common Stock shall automatically and without further action on the part of the Corporation or any holder of Class B Common Stock be transferred to the Corporation for no consideration, and the Corporation will take all actions necessary to retire such shares and such shares shall not be re-issued by the Corporation (other than to a Permitted Class B Owner).

(e) Upon a determination by the Board of Directors that a Person has attempted or may attempt to transfer or to acquire Restricted Shares in violation of the Restrictions, the Board of Directors may take such action as it deems advisable to refuse to give effect to such transfer or acquisition on the books and records of the Corporation, including without limitation to cause the Transfer Agent or the Secretary of the Corporation, as applicable, to not record the Purported Owner

as the record owner of the Restricted Shares, and to institute proceedings to enjoin or rescind any such transfer or acquisition.

(f) The Board of Directors may, to the extent permitted by law, from time to time establish, modify, amend or rescind, by bylaw or otherwise, regulations and procedures not inconsistent with the provisions of this Section 4.5 for determining whether any transfer or acquisition of shares of Class B Common Stock would violate the Restrictions and for the orderly application, administration and implementation of the provisions of this Section 4.5. Any such procedures and regulations shall be kept on file with the Secretary of the Corporation and with its Transfer Agent and shall be made available for inspection by any prospective transferee and, upon written request, shall be mailed to holders of shares of Class B Common Stock.

(g) The Board of Directors shall have all powers necessary to implement the Restrictions, including without limitation the power to waive such Restrictions or prohibit the transfer of any shares of Class B Common Stock on the books and records of the Corporation in violation thereof.

Section 4.6 Certificates. All certificates or book entries representing shares of Class B Common Stock shall bear a legend substantially in the following form (or in such other form as the Corporation may determine):

THE SECURITIES REPRESENTED BY THIS [CERTIFICATE][BOOK ENTRY] ARE SUBJECT TO THE RESTRICTIONS (INCLUDING RESTRICTIONS ON TRANSFER) SET FORTH IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE CORPORATION (A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE CORPORATION AND SHALL BE PROVIDED FREE OF CHARGE TO ANY STOCKHOLDER MAKING A REQUEST THEREFOR).

Section 4.7 Fractions. The Common Stock may be issued and transferred in fractions of a share which shall entitle the holder to exercise voting rights and to have the benefit of all other rights of holders of Common Stock. Subject to the Restrictions, holders of shares of Common Stock shall be entitled to transfer fractions thereof and the Corporation shall, and shall cause the Transfer Agent to, facilitate any such transfers, including by issuing certificates or making book entries representing any such fractional shares. For all purposes of this Amended and Restated Certificate of Incorporation, all references to Common Stock or any share thereof (whether in the singular or plural) shall be deemed to include references to any fraction of a share of Common Stock.

Section 4.8 Amendment. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation) or pursuant to the DGCL.

ARTICLE V.

The Corporation shall at all times reserve and keep available out of its authorized but unissued shares or other securities at least as many shares or other securities equal to the sum of (i) the number of Common Units held by the holders of Common Units (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) plus (ii) the number of Common Units issuable by i3 Verticals, LLC in connection with the exercise or conversion of any equity securities (including without limitation warrants, options and rights) issued by i3 Verticals, LLC that are convertible or exercisable or exchangeable for Common Units.

ARTICLE VI.

Section 6.1 Common Units and Common Stock Ratio. The Corporation shall, to the fullest extent permitted by law, undertake all actions, including, without limitation, a reclassification, dividend, division, subdivision, combination or recapitalization, with respect to:

(a) the shares of Class A Common Stock necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, disregarding, for purposes of maintaining the one-to-one ratio, (i) shares of Class A Common Stock issuable pursuant to awards granted under any stock incentive plan adopted by the Corporation from time to time that have not vested thereunder, (ii) treasury stock, or (iii) Preferred Stock or other debt or equity securities (including without limitation warrants, options and rights) issued by the Corporation that are convertible or exercisable or exchangeable for Class A Common Stock (except to the extent such securities have been converted, exercised or exchanged for Class A Common Stock and the net proceeds from such other securities, including without limitation any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of i3 Verticals, LLC).

(b) the shares of Class B Common Stock necessary to maintain at all times a one-to-one ratio between the number of Common Units (other than Common Units issuable upon the exercise of any options, warrants or rights) owned by all Permitted Class B Owners and the number of outstanding shares of Class B Common Stock owned by all Permitted Class B Owners.

Section 6.2 Common Units and Common Stock Ratio upon a Stock Split. The Corporation shall not undertake or authorize any subdivision (by any stock split, stock dividend, reclassification, recapitalization or similar event) or combination (by reverse stock split, reclassification, recapitalization or similar event) of (i) the Class A Common Stock that is not accompanied by an identical subdivision or combination of the Common Units to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock; or (ii) the Class B Common Stock that is not accompanied by an identical subdivision or combination of the Common Units to maintain at all times, subject to the provisions of this Amended and Restated Certificate of Incorporation, a one-to-one ratio between the number of Common Units (other than Common Units issuable upon

the exercise of any options, warrants or rights) owned by all Permitted Class B Owners and the number of outstanding shares of Class B Common Stock owned by all Permitted Class B Owners, unless, such action is necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by all Permitted Class B Owners and the number of outstanding shares of Class B Common Stock owned by all Permitted Class B Owners.

Section 6.3 Common Units and Class A Common Stock Ratio upon a Sale or Repurchase. The Corporation shall not issue, transfer or deliver from treasury stock or repurchase shares of Class A Common Stock unless in connection with any such issuance, transfer, delivery or repurchase the Corporation takes or authorizes all requisite action such that, after giving effect to all such issuances, transfers, deliveries or repurchases, the number of Common Units owned by the Corporation will equal on a one-for-one basis the number of outstanding shares of Class A Common Stock, disregarding, for purposes of maintaining the one-to-one ratio, (i) shares of Class A Common Stock issuable pursuant to awards granted under any stock incentive plan adopted by the Corporation from time to time that have not vested thereunder, (ii) treasury stock or (iii) Preferred Stock or other debt or equity securities (including without limitation warrants, options and rights) issued by the Corporation that are convertible or exercisable or exchangeable for Class A Common Stock (except to the extent such securities have been converted, exercised or exchanged for Class A Common Stock and the net proceeds from such other securities, including without limitation any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of i3 Verticals, LLC). The Corporation shall not issue, transfer or deliver from treasury stock or repurchase or redeem shares of Preferred Stock unless in connection with any such issuance, transfer, delivery, repurchase or redemption the Corporation takes all requisite action such that, after giving effect to all such issuances, transfers, repurchases or redemptions, the Corporation holds (in the case of any issuance, transfer or delivery) or ceases to hold (in the case of any repurchase or redemption) equity interests in i3 Verticals, LLC which (in the good faith determination by the Board of Directors) are in the aggregate substantially equivalent in all respects to the outstanding Preferred Stock so issued, transferred, delivered, repurchased or redeemed.

Section 6.4 Common Units and Class A Common Stock Ratio upon a Merger. Unless otherwise consented to in writing by a majority of the Permitted Class B Owners and the holders of a majority of the voting power of the outstanding shares of Class A Common Stock voting as a separate class, the Corporation shall not consolidate, merge or combine, or consummate any other transaction, and shall take all actions within its power to prohibit i3 Verticals, LLC from entering into any consolidation, merger, combination or other transaction (in each case, other than an action or transaction for which an adjustment is provided in one of the preceding paragraphs of this Article VI or in Article IV) in which Common Units or shares of Class A Common Stock are exchanged for or converted into other stock or securities, or the right to receive cash and/or any other property (a "**Transaction**"), unless in connection with any such Transaction each share of Class A Common Stock and each Common Unit that is redeemable by the holder thereof pursuant to the terms of the LLC Agreement for, at the option of the Corporation, a share of Class A Common Stock or a cash payment, respectively, shall be entitled to be exchanged for or converted into (without duplication of any corresponding share of Class A Common Stock which the Corporation may elect to issue upon a redemption of such Common Unit by the holder thereof) the same kind and amount of stock

or securities, cash and/or any other property, as the case may be, into which or for which each Common Unit and each share of Class A Common Stock is exchanged or converted (such stock or securities, cash and/or property shall be referred to herein as the “**Consideration**”), to maintain at all times a one-to-one ratio between (x) the Consideration issuable in such Transaction in exchange for or conversion of one share of Class A Common Stock and (y) the Consideration issuable in such Transaction in exchange for or conversion of one Common Unit.

ARTICLE VII.

The Board of Directors is expressly authorized to adopt, amend and repeal the bylaws of the Corporation (the “**Bylaws**”).

ARTICLE VIII.

Section 8.1 Ballot. Elections of the directors comprising the Board of Directors (each such director, in such capacity, a “**Director**”) need not be by written ballot unless the Bylaws shall so provide.

Section 8.2 Number and Terms of the Board of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of Directors shall consist of between three and fifteen (15) Directors and be fixed from time to time exclusively by resolutions adopted by the Board of Directors. Each Director will be elected for a term expiring at the next annual meeting following such Director’s election.

Section 8.3 Newly Created Directorships and Vacancies. Except as otherwise required by law and subject to the separate rights of the holders of any series of Preferred Stock then outstanding, unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from the death, resignation, retirement, disqualification, removal from office or other cause shall be filled only by a majority in voting power of the Directors then in office and entitled to vote thereon. Any Director so chosen shall be appointed for a term expiring at the next election of Directors and shall remain in office until his successor shall be elected and qualified.

Section 8.4 Quorum and Vote Required for Action. At any meeting of the Board of Directors, a majority of the total number of directors then in office shall constitute a quorum for all purposes; provided that in no event shall a quorum be less than one-third of the total number of authorized directorships. Except as otherwise required by law, a majority of the votes entitled to be cast by the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors.

Section 8.5 Notice. Advance notice of stockholder nominations for election of Directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the Bylaws.

ARTICLE IX.

Special meetings of the stockholders of the Corporation may be called at any time only by or at the direction of the chairman of the Board of Directors, the chief executive officer or by the affirmative vote of a majority of the Board of Directors. Any action required or permitted to be taken by stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders and may not be effected by written consent in lieu of a meeting.

ARTICLE X.

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided that any amendment to this Amended and Restated Certificate of Incorporation following the Effective Time that gives holders of the Class B Common Stock (i) any rights to receive dividends or any other kind of distribution, (ii) any right to convert into or be exchanged for Class A Common Stock other than on a one-to-one basis or (iii) any other economic rights shall be approved by the affirmative vote of the holders of a majority of the voting power of all of the outstanding voting stock of the Corporation. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any Person or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any sentence of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other Persons and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XI.

To the fullest extent permitted by the laws of the State of Delaware, no Director shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No amendment to, or modification or repeal of, this Article XI shall adversely affect any right or protection of a Director or of any officer, employee or agent of the Corporation existing hereunder with respect to any act or omission occurring prior to such amendment, modification or repeal.

ARTICLE XII.

Section 12.1 Corporate Opportunity. To the fullest extent permitted by the laws of the State of Delaware and in accordance with Section 122(17) of the DGCL, (a) the Corporation hereby renounces all interest and expectancy that it otherwise would be entitled to have in, and all rights to be offered an opportunity to participate in, any business opportunity that from time to time may be presented to (i) any Director, (ii) any stockholder, officer or agent of the Corporation, or (iii) any Affiliate of any Person identified in the preceding clause (i) or (ii) and any investment fund managed by any of the foregoing, but in each case excluding any such Person in its capacity as an employee

or executive officer of the Corporation or its subsidiaries; (b) no stockholder and no Director, in each case, that is not an employee or executive officer of the Corporation or its subsidiaries, will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which the Corporation or its subsidiaries from time to time is engaged or proposes to engage or (ii) otherwise competing, directly or indirectly, with the Corporation, its Affiliates or any of its subsidiaries; and (c) if any stockholder or any Director, in each case, that is not an employee or executive officer of the Corporation or its subsidiaries, acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity both for such stockholder or such Director or any of their respective Affiliates, on the one hand, and for the Corporation or its subsidiaries, on the other hand, such stockholder or Director shall have no duty to communicate or offer such transaction or business opportunity to the Corporation or its subsidiaries and such stockholder or Director may take any and all such transactions or opportunities for itself or offer such transactions or opportunities to any other Person. The preceding sentences of this Article XII shall not apply to any potential transaction or business opportunity that is expressly offered to a Director, executive officer or employee of the Corporation or its subsidiaries, solely in his or her capacity as a Director, executive officer or employee of the Corporation or its subsidiaries.

Section 12.2 Corporate Opportunity. To the fullest extent permitted by the laws of the State of Delaware, no potential transaction or business opportunity may be deemed to be a corporate opportunity of the Corporation or its subsidiaries unless (a) the Corporation or its subsidiaries would be permitted to undertake such transaction or opportunity in accordance with this Amended and Restated Certificate of Incorporation, (b) the Corporation or its subsidiaries at such time have sufficient financial resources to undertake such transaction or opportunity, (c) the Corporation or its subsidiaries have an interest or expectancy in such transaction or opportunity and (d) such transaction or opportunity would be in the same or similar line of business in which the Corporation or its subsidiaries are then engaged or a line of business that is reasonably related to, or a reasonable extension of, such line of business.

Section 12.3 Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any shares of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XII.

Section 12.4 Liability. No stockholder and no Director will be liable to the Corporation or its subsidiaries or stockholders for breach of any duty (contractual or otherwise) solely by reason of any activities or omissions of the types expressly permitted by this Article XII.

ARTICLE XIII.

Section 13.1 Section 203 of the DGCL. The Corporation expressly elects not to be governed by Section 203 of the DGCL and the restrictions and limitations set forth therein.

Section 13.2 Interested Stockholder Transactions.

(a) Notwithstanding any other provision in this Amended and Restated Certificate of Incorporation to the contrary, the Corporation shall not engage in any Business

Combination (as defined below) with any Interested Stockholder (as defined below) for a period of three years following the time that such stockholder became an Interested Stockholder, unless:

(i) prior to such time the Board of Directors approved either the Business Combination or the transaction which resulted in such stockholder becoming an Interested Stockholder;

(ii) upon consummation of the transaction which resulted in such stockholder becoming an Interested Stockholder, such stockholder owned at least eighty-five percent (85%) of the Voting Stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the Voting Stock outstanding (but not the outstanding Voting Stock owned by such stockholder) those shares owned (1) by Persons (as defined below) who are directors and also officers of the Corporation and (2) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(iii) at or subsequent to such time the Business Combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding Voting Stock which is not owned by such stockholder.

(b) The restrictions contained in this Section 13.2 shall not apply if:

(i) a stockholder becomes an Interested Stockholder inadvertently and (1) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an Interested Stockholder; and (2) would not, at any time within the three-year period immediately prior to a Business Combination between the Corporation and such stockholder, have been an Interested Stockholder but for the inadvertent acquisition of ownership; or

(ii) the Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (1) constitutes one of the transactions described in the second sentence of this subparagraph (b)(ii) of Section 13.2; (2) is with or by a Person who either was not an Interested Stockholder during the previous three years or who became an Interested Stockholder with the approval of the Board of Directors; and (3) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any Person becoming an Interested Stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of

either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock (as defined below) of the Corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding Voting Stock of the Corporation. The Corporation shall give not less than 20 days' notice to all Interested Stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this subparagraph (b)(ii) of Section 13.2.

(c) As used in this Section 13.2 only, and unless otherwise provided by the express terms of this Section 13.2, the following terms shall have the meanings ascribed to them as set forth in this paragraph (c):

(i) "**Affiliate**" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person;

(ii) "**Associate**", when used to indicate a relationship with any Person, means: (1) any corporation, partnership, unincorporated association or other entity of which such Person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of Voting Stock; (2) any trust or other estate in which such Person has at least a twenty percent (20%) beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (3) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person;

(iii) "**Business Combination**" means:

(A) any merger or consolidation of the Corporation (other than a merger effected pursuant to Section 253 or Section 267 of the DGCL) or any direct or indirect majority-owned subsidiary of the Corporation with (1) the Interested Stockholder, or (2) with any Person if the merger or consolidation is caused by the Interested Stockholder and as a result of such merger or consolidation paragraph (a) of this Section 13.2 is not applicable to the surviving entity;

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock of the Corporation;

(C) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any Stock of the Corporation or of such subsidiary to the Interested Stockholder, except: (1) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Stockholder became such; (2) pursuant to a merger under Section 251(g), 253 or 267 of the DGCL; (3) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of

the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of Stock of the Corporation subsequent to the time the Interested Stockholder became such; (4) pursuant to an exchange offer by the Corporation to purchase Stock made on the same terms to all holders of such Stock; or (5) any issuance or transfer of Stock by the Corporation; provided however, that in no case under items (3) through (5) of this subparagraph (c)(iii)(C) of Section 13.2 shall there be an increase in the Interested Stockholder's proportionate share of the Stock of any class or series of the Corporation or of the Voting Stock of the Corporation;

(D) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the Stock of any class or series, or securities convertible into the Stock of any class or series, of the Corporation or of any such subsidiary which is owned by the Interested Stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of Stock not caused, directly or indirectly, by the Interested Stockholder; or

(E) any receipt by the Interested Stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs(c)(iii)(A) through (D) of Section 13.2) provided by or through the Corporation or any direct or indirect majority-owned subsidiary of the Corporation.

(iv) "**Control**", including the terms "controlling", "controlled by" and "under common control with", means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of stock or other equity interests, by contract or otherwise. A Person who is the owner of twenty percent (20%) or more of the outstanding Voting Stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; notwithstanding the foregoing, a presumption of control shall not apply where such Person holds Voting Stock, in good faith and not for the purpose of circumventing this Section 13.2, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity;

(v) "**Interested Stockholder**" means any Person (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) that (A) is the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation, or (B) is an Affiliate or Associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such Person is an Interested Stockholder, and the Affiliates and Associates of such Person. Notwithstanding anything in this Section 13.2 to the contrary, the term "Interested Stockholder" shall not include: (x) Greg Daily or any of his Affiliates or Associates or (y) any Person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of action taken solely by the Corporation, provided that, for purposes of this clause (y), such Person shall be an Interested Stockholder if thereafter such Person acquires additional shares of Voting Stock of the Corporation,

except as a result of further action by the Corporation not caused, directly or indirectly, by such Person;

(vi) “**Owner**”, including the terms “own” and “owned”, when used with respect to any Stock, means a Person that individually or with or through any of its affiliates or associates beneficially owns such Stock, directly or indirectly; or has (A) the right to acquire such Stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the owner of Stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered Stock is accepted for purchase or exchange; or (B) the right to vote such Stock pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the owner of any Stock because of such Person’s right to vote such Stock if the agreement, arrangement or understanding to vote such Stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more Persons; or has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in (B) of this paragraph (c)(vi) of Section 13.2), or disposing of such Stock with any other Person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such Stock; provided, that, for the purpose of determining whether a Person is an Interested Stockholder, the Voting Stock of the Corporation deemed to be outstanding shall include Stock deemed to be owned by the Person through application of this definition of “owned” but shall not include any other unissued Stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;

(vii) “**Person**” means any individual, corporation, partnership, unincorporated association or other entity;

(viii) “**Stock**” means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest; and

(ix) “**Voting Stock**” means, with respect to any corporation, Stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of Voting Stock shall refer to such percentage of the votes of or voting power conferred by such Voting Stock.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed on this [•].

i3 VERTICALS, INC.

By:

Name:

Title:

AMENDED AND RESTATED BYLAWS

OF

i3 VERTICALS, INC.

Dated as of [•]

	Page
ARTICLE I. MEETINGS OF STOCKHOLDERS	1
Section 1.01 Place of Meetings	1
Section 1.02 Annual Meetings	1
Section 1.03 Special Meetings	1
Section 1.04 Notice of Meetings	1
Section 1.05 Adjournments	1
Section 1.06 Quorum	2
Section 1.07 Organization	2
Section 1.08 Voting; Proxies	2
Section 1.09 Fixing Date for Determination of Stockholders of Record.	3
Section 1.10 List of Stockholders Entitled to Vote	4
Section 1.11 Inspectors of Election	4
Section 1.12 Conduct of Meetings	5
Section 1.13 Notice of Stockholder Business and Nominations.	6
Section 1.14 Submission of Questionnaire, Representation and Agreement	10
 ARTICLE II. BOARD OF DIRECTORS	 11
Section 2.01 Number; Tenure; Qualifications	11
Section 2.02 Election; Resignation; Vacancies	11
Section 2.03 Regular Meetings	11
Section 2.04 Special Meetings	11
Section 2.05 Telephonic Meetings Permitted	11
Section 2.06 Quorum; Vote Required for Action	12
Section 2.07 Organization	12
Section 2.08 Action by Unanimous Consent of Directors	12
Section 2.09 Compensation of Directors	12
Section 2.10 Chairperson	12
 ARTICLE III. COMMITTEES	 13
Section 3.01 Committees	13
Section 3.02 Committee Rules	13
 ARTICLE IV. OFFICERS	 13
Section 4.01 Officers	13
Section 4.02 Removal, Resignation and Vacancies	14
Section 4.03 Chief Executive Officer	14
Section 4.04 Chief Financial Officer	14

Section 4.05	Chief Operating Officer	14
Section 4.06	General Counsel	14
Section 4.07	President	15
Section 4.08	Executive Vice President and Senior Vice President	15
Section 4.09	Treasurer	15
Section 4.10	Controller	15
Section 4.11	Secretary	15
Section 4.12	Appointing Attorneys and Agents; Voting Securities of Other Entities	16
Section 4.13	Additional Matters	16
ARTICLE V. STOCK		17
Section 5.01	Certificates	17
Section 5.02	Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates	17
ARTICLE VI. INDEMNIFICATION AND ADVANCEMENT OF EXPENSES		17
Section 6.01	Right to Indemnification	17
Section 6.02	Advancement of Expenses	17
Section 6.03	Claims	18
Section 6.04	Non-exclusivity of Rights	18
Section 6.05	Amendment or Repeal	18
Section 6.06	Other Indemnification and Advancement of Expenses	19
Section 6.07	Nature of Rights	19
Section 6.08	Insurance	19
ARTICLE VII. MISCELLANEOUS		19
Section 7.01	Fiscal Year	19
Section 7.02	Seal	19
Section 7.03	Manner of Notice	19
Section 7.04	Waiver of Notice of Meetings of Stockholders, Directors and Committees	20
Section 7.05	Form of Records	20
Section 7.06	Amendment of Bylaws	20

ARTICLE I.
MEETINGS OF STOCKHOLDERS

Section 1.01 **Place of Meetings.** Meetings of stockholders of i3 Verticals, Inc., a Delaware corporation (the “**Corporation**”); and such stockholders, the “**Stockholders**”), may be held at any place, within or without the State of Delaware, as may be designated by the board of directors of the Corporation (the “**Board of Directors**”). In the absence of such designation, meetings of Stockholders shall be held at the principal executive office of the Corporation. The Board of Directors may, in its sole discretion, determine that a meeting of Stockholders shall not be held at any place, but may instead be held solely by means of remote communication authorized by and in accordance with Section 211(a) of the General Corporation Law of the State of Delaware (“**DGCL**”).

Section 1.02 **Annual Meetings.** The annual meeting of Stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board of Directors from time to time. Any other business as may be properly brought before the annual meeting may be transacted at the annual meeting. The Board of Directors may postpone, reschedule or cancel any annual meeting of Stockholders previously scheduled by the Board of Directors.

Section 1.03 **Special Meetings.** Special meetings of Stockholders for any purpose or purposes may be called only by the chairperson of the Board of Directors (the “**Chairperson**”), a majority of the Board of Directors or the Chief Executive Officer. Special meetings validly called in accordance with this Section 1.03 of these amended and restated bylaws adopted by the Board of Directors as of [●] (as the same may be further amended, restated, amended and restated or otherwise modified from time to time, these “**Bylaws**”) may be held at such date and time as specified in the applicable notice. Business transacted at any special meeting of Stockholders shall be limited to the purposes stated in the notice. The Corporation may postpone, reschedule or cancel any special meeting of Stockholders previously scheduled by the Chairperson or Board of Directors.

Section 1.04 **Notice of Meetings.** Whenever Stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the Stockholders entitled to vote at the meeting (if such date is different from the record date for Stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Amended and Restated Certificate of Incorporation of the Corporation effective as of [●] (as the same may be further amended, restated, amended and restated or otherwise modified from time to time, the “**Certificate of Incorporation**”) or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each Stockholder entitled to vote at the meeting as of the record date for determining the Stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the Stockholder at such Stockholder’s address as it appears on the records of the Corporation.

Section 1.05 **Adjournments.** Any meeting of Stockholders, annual or special, may be adjourned from time to time by the chairperson of the meeting (or by the Stockholders in accordance

with Section 1.06) to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which Stockholders or proxy holders may be deemed present and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of Stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix the record date for determining Stockholders entitled to notice of such adjourned meeting as provided in Section 1.09(a) of these Bylaws, and shall give notice of the adjourned meeting to each Stockholder of record as of the record date so fixed for notice of such adjourned meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the Stockholder at such Stockholder's address as it appears on the records of the Corporation.

Section 1.06 **Quorum.** Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of Stockholders the presence or participation in person or by remote communication, if applicable, or by proxy of the holders of a majority in voting power of the outstanding shares of Stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum for the transaction of business. In the absence of a quorum, then either (i) the chairperson of the meeting or (ii) a majority in voting power of the Stockholders entitled to vote thereon, present in person, or by remote communication, if applicable, or represented by proxy, shall have the power to adjourn the meeting from time to time in the manner provided in Section 1.05 of these Bylaws until a quorum is present or represented. Shares of Stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any subsidiary of the Corporation to vote shares of Stock held by it in a fiduciary capacity. Where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the Corporation issued and outstanding and entitled to vote on such matter, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

Section 1.07 **Organization.** Meetings of Stockholders shall be presided over by the Chairperson or by such other officer or director of the Corporation as designated by the Board of Directors or the Chairperson. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 1.08 **Voting; Proxies.** (a) Each Stockholder entitled to vote at any meeting of Stockholders shall be entitled to the number of votes, if any, for each share of Stock held of record by such Stockholder which has voting power upon the matter in question that is set forth in the Certificate of Incorporation or provided by law. Voting at meetings of Stockholders need not be by

written ballot. In all director elections, the nominee for election as director shall be elected by a plurality of the votes cast. Except as otherwise required by law, the Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock), these Bylaws or any law, rule or regulation applicable to the Corporation or its securities, at each meeting of Stockholders at which a quorum is present, all other corporate actions to be taken by vote of the Stockholders shall be authorized by the affirmative vote of at least a majority of the voting power of the Stock present in person or represented by proxy and entitled to vote on the subject matter, and where a separate vote by a class or series is present, such act shall be authorized by the affirmative vote of at least a majority of the voting power of the Stock of such class or series or classes or series present in person or represented by proxy and entitled to vote on the subject matter.

(b) Each Stockholder entitled to vote at a meeting of Stockholders or express consent to corporate action in writing without a meeting (if not prohibited by the Certificate of Incorporation) may authorize another person or persons to act for such Stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A Stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person (or by means of remote communication, if applicable) or by delivering to the Secretary a revocation of the proxy or a new proxy bearing a later date.

Section 1.09 **Fixing Date for Determination of Stockholders of Record.**

(a) In order that the Corporation may determine the Stockholders entitled to notice of any meeting of Stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the Stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of Stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for Stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of Stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of Stock or for the purpose of

any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining Stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) Unless otherwise restricted by the Certificate of Incorporation, in order that the Corporation may determine the Stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law or the Certificate of Incorporation, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation (or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded) in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law or the Certificate of Incorporation, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 1.10 **List of Stockholders Entitled to Vote.** The Corporation shall prepare, at least ten (10) days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting (provided, however, if the record date for determining the Stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the Stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder as of the record date (or such other date). Such list shall be open to the examination of any Stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of Stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any Stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any Stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the Stockholders entitled to examine the list of Stockholders required by this Section 1.10 or to vote in person or by proxy at any meeting of Stockholders.

Section 1.11 **Inspectors of Election.** The Corporation may, and shall if required by law, in advance of any meeting of Stockholders, appoint one or more inspectors of election, who may

be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of Stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of Stock outstanding and the voting power of each such share, (ii) determine the shares of Stock represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of Stock represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of Stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12 **Conduct of Meetings.** The date and time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting designated in accordance with Section 1.07 of these Bylaws. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of Stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of Stockholders shall have the right and authority to convene and (for any reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to Stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of Stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of Stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.13 **Notice of Stockholder Business and Nominations.**

(a) *Annual Meetings of Stockholders.*

(i) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the Stockholders may be made at an annual meeting of Stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or a majority of the independent directors thereof or (C) by any Stockholder who was a Stockholder of record at the time the notice provided for in this Section 1.13 is delivered to the Secretary, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.13.

(ii) For any nominations or other business to be properly brought before an annual meeting by a Stockholder pursuant to Section 1.13(a)(i)(C) of these Bylaws, the Stockholder must have given timely notice thereof in writing to the Secretary and any such proposed business (other than the nominations of persons for election to the Board of Directors) must constitute a proper matter for Stockholder action. To be timely, a Stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the ninetieth (90th) day, nor earlier than the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no annual meeting was held in the preceding year, in each case, notice by the Stockholder must be so delivered not earlier than the one hundred twentieth (120th) day prior to such annual meeting and not later than the later of the ninetieth (90th) day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. For purposes of the first annual meeting held following the closing of the Corporation's initial public offering, the anniversary date shall be deemed to be [●]. In no event shall an adjournment, or postponement of an annual meeting for which notice has been given, commence a new time period (or extend any time period) for the giving of a Stockholder's notice as described above. To be in proper form, such Stockholder's notice must:

(A) as to each person whom the Stockholder proposes to nominate for election as a director of the Corporation, set forth (I) as to each proposed nominee (1) such person's name, age, business address and, if known, residence address, (2) such person's principal occupation or employment, (3) the class and series and number of shares of stock of the Corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among (x) the Stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and the respective affiliates and associates of, or others acting in concert with, such Stockholder and such beneficial owner, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, or others acting in concert with such nominee(s), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation

S-K if the Stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any affiliate or associate thereof or person acting in concert therewith were the “registrant” for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, (II) all other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and the rules and regulations promulgated thereunder, and (III) such person’s written consent to serving as a director of the Corporation if elected;

(B) with respect to each nominee for election or reelection to the Board of Directors, include the completed and signed questionnaire, representation and agreement required by Section 1.14 of these Bylaws (which shall be provided to a Stockholder promptly following a request therefor);

(C) as to any other business that the Stockholder proposes to bring before the meeting, set forth a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such Stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and

(D) as to the Stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, set forth (I) the name and address of such Stockholder, as they appear on the Corporation’s books, and of such beneficial owner, (II) the class or series and number of shares of Stock which are owned, directly or indirectly, beneficially and of record by such Stockholder and such beneficial owner, (III) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such Stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (IV) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the Stockholder’s notice by, or on behalf of, such Stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of Stock, the effect or intent of which is to mitigate loss to, manage risk or benefit from share price changes for, or increase or decrease the voting power of, such Stockholder or such beneficial owner, with respect to securities of the Corporation, (V) any proxy, contract, arrangement, understanding, or relationship pursuant to which the Stockholder and/or beneficial owner has a right to vote, directly or indirectly, any shares of any security of the Corporation, (VI) a representation that the Stockholder is a holder of record of Stock entitled to vote at such meeting and intends to appear in person (or by means of remote communication, if applicable) or by proxy at the meeting to propose such business or nomination, (VII) a representation whether the Stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy

to holders of at least the percentage of outstanding Stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies or votes from Stockholders in support of such proposal or nomination, and (VIII) any other information relating to such Stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

The foregoing notice requirements of this Section 1.13(a) shall be deemed satisfied by a Stockholder with respect to business other than a nomination for election as a director of the Corporation if the Stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with Rule 14a-8 promulgated under the Exchange Act and such Stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee for election as a director of the Corporation to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation. A Stockholder shall not have complied with this Section 1.13(a)(ii), and his or her nominees and business proposals shall be disregarded, if the Stockholder (or beneficial owner, if any, on whose behalf the nomination is made) solicits or does not solicit, as the case may be, proxies or votes in support of such Stockholder's nominee or business proposal in contravention of the representations with respect thereto required by this Section 1.13(a)(ii).

(iii) Notwithstanding anything in the second sentence of Section 1.13(a)(ii) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors at the annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 1.13(a)(ii) of these Bylaws and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a Stockholder's notice required by this Section 1.13 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) *Special Meetings of Stockholders.* Except to the extent required by law, special meetings of Stockholders may be called only in accordance with Section 1.03 of these Bylaws. Only such business shall be conducted at a special meeting of Stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of Stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only (1) by or at the direction of the Board of Directors or a majority of the independent directors thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any Stockholder who is a Stockholder of record at the time the notice provided for in this Section 1.13 is delivered to the Secretary, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.13. In the event the Corporation calls a special meeting of Stockholders for the purpose of electing one or more directors to the Board of Directors, any

such Stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the Stockholder delivers a notice that includes all of the information required by Section 1.13(a)(ii) of these Bylaws (including the completed and signed questionnaire, representation and agreement required by Section 1.14 of these Bylaws and any other information, documents, affidavits, or certifications required by the Corporation) to the Secretary at the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs. In no event shall an adjournment, or postponement for which notice has been given, of a special meeting commence a new time period (or extend any time period) for the giving of a Stockholder's notice as described above.

(c) *General.*

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.13 shall be eligible to be elected at an annual or special meeting of Stockholders to serve as directors and only such business shall be conducted at a meeting of Stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.13. Except as otherwise provided by law, the chairperson of the meeting shall have the power and duty (A) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.13 (including whether the Stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made or solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such Stockholder's nominee or proposal in compliance with such Stockholder's representation as required by Section 1.13(a)(ii)(D) (VI) of these Bylaws) and (B) if any proposed nomination or business was not made or proposed in compliance with this Section 1.13, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.13, unless otherwise required by law or except as otherwise determined by the chairperson of the meeting, if the Stockholder (or a qualified representative of the Stockholder) does not appear at the annual or special meeting of Stockholders to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.13, to be considered a qualified representative of the Stockholder, a person must be a duly authorized officer, manager or partner of such Stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such Stockholder to act for such Stockholder as proxy at the meeting of Stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of Stockholders.

(ii) For purposes of this Section 1.13, "**public announcement**" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities

and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(iii) Notwithstanding the foregoing provisions of this Section 1.13, a Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 1.13; provided, however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.13 (including clause (a)(i)(C) hereof and clause (b) hereof), and compliance with clauses (a)(i)(C) and (b) of this Section 1.13 shall be the exclusive means for a Stockholder to make nominations or submit other business at a Stockholder meeting (other than business brought properly under and in compliance with Rule 14a-8 promulgated under the Exchange Act, as may be amended from time to time). Nothing in this Section 1.13 shall be deemed to affect any rights (x) of Stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act or (y) of the holders of any series of preferred stock of the Corporation ("**Preferred Stock**") to elect directors pursuant to any applicable provisions of the Certificate of Incorporation. Except as otherwise required by law, nothing in this Section 1.13 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any proposal submitted by a stockholder.

Section 1.14 **Submission of Questionnaire, Representation and Agreement.** To be eligible to be a nominee for election or reelection as a director of the Corporation, the candidate for nomination must have previously delivered (in accordance with the time periods prescribed for delivery of notice under Section 1.13 of these Bylaws), to the Secretary at the principal executive offices of the Corporation, (a) a completed written questionnaire (in a form provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee and (b) a written representation and agreement (in form provided by the Corporation) that such candidate for nomination (i) is not and, if elected as a director during his or her term of office, will not become a party to (A) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "**Voting Commitment**") or (B) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (ii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation or reimbursement for service as a director that has not been disclosed to the Corporation, (iii) will, if elected as a director of the Corporation, comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director of the Corporation (and, if requested by any candidate for nomination, the Secretary shall provide to such candidate for

nomination all such policies and guidelines then in effect) and (iv) intends, if elected as a director of the Corporation, to serve the full term of the directorship.

ARTICLE II.
BOARD OF DIRECTORS

Section 2.01 **Number; Tenure; Qualifications**. Subject to the Certificate of Incorporation and the rights of holders of any series of Preferred Stock to elect directors, the total number of directors constituting the entire Board of Directors shall consist of between three (3) and fifteen (15) Directors and be fixed from time to time exclusively by resolutions adopted by the Board of Directors. Each director shall hold office until such time as provided in the Certificate of Incorporation. Directors need not be Stockholders.

Section 2.02 **Election; Resignation; Vacancies**. Except as otherwise provided in the Certificate of Incorporation or these Bylaws, directors shall be elected at the annual meeting of Stockholders by such Stockholders as have the right to vote on such election. Any director may resign at any time upon written or electronic notice to the Corporation. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock then outstanding, unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from the death, resignation, retirement, disqualification, removal from office or other cause shall be filled only by a majority in voting power of the directors then in office and entitled to vote thereon. Any director so chosen shall be appointed for a term expiring at the next election of directors and shall remain in office until his successor shall be elected and qualified.

Section 2.03 **Regular Meetings**. Regular meetings of the Board of Directors may be held at such places, if any, within or without the State of Delaware and at such times as the Board of Directors may from time to time determine; provided, that any director who is absent when such a determination is made shall be given notice of the determination.

Section 2.04 **Special Meetings**. Special meetings of the Board of Directors may be held at any time or place, if any, within or without the State of Delaware whenever called by the Chairperson, the Chief Executive Officer or a majority of the directors then in office. Notice to directors of the date, place and time of any special meeting of the Board of Directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice may be given in person, by mail or by e-mail, telephone, telecopier or other means of electronic transmission. If the notice is delivered in person, by e-mail, telephone, telecopier or other means of electronic transmission, it shall be delivered or sent at least twenty-four (24) hours before the time of holding of the meeting. If the notice is sent by mail, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 2.05 **Telephonic Meetings Permitted**. Members of the Board of Directors may participate in any meetings of the Board of Directors thereof by means of conference telephone or

other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.05 shall constitute presence in person at such meeting.

Section 2.06 **Quorum; Vote Required for Action.** At all meetings of the Board of Directors a majority of the total number of directors then in office shall constitute a quorum for all purposes; provided that in no event shall a quorum be less than one-third of the total number of authorized directorships. Except in cases in which the Certificate of Incorporation, these Bylaws or applicable law otherwise provides, a majority of the votes entitled to be cast by the directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors.

Section 2.07 **Organization.** Meetings of the Board of Directors shall be presided over by the Chairperson, or in his or her absence by the person whom the Chairperson shall designate, or in the absence of the foregoing persons by a chairperson chosen at the meeting by the affirmative vote of a majority of the directors present at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.08 **Action by Unanimous Consent of Directors.** Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or such committee in accordance with applicable law. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action shall be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

Section 2.09 **Compensation of Directors.** Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary or other compensation as a director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings. Any director of the Corporation may decline any or all such compensation payable to such director in his or her discretion.

Section 2.10 **Chairperson.** The Board of Directors may appoint from its members a Chairperson of the Board of Directors. The Board of Directors may, in its sole discretion, from time to time appoint one or more vice chairpersons (each, a "***Vice Chairperson***") each of whom as such shall report directly to the Chairperson.

ARTICLE III.
COMMITTEES

Section 3.01 **Committees.** The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board of Directors designating the committee (or resolution of the committee designating the subcommittee, if applicable), a majority of the directors then serving on a committee or subcommittee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee or subcommittee present at a meeting at which a quorum is present shall be the act of the committee or subcommittee. Special meetings of any committee of the Board of Directors may be held at any time or place, if any, within or without the State of Delaware whenever called by the Chairperson of such committee or a majority of the members of such committee.

Section 3.02 **Committee Rules.** Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.

ARTICLE IV.
OFFICERS

Section 4.01 **Officers.** The officers of the Corporation may consist of a chief executive officer (the “*Chief Executive Officer*”), a chief financial officer (the “*Chief Financial Officer*”), a chief operating officer (the “*Chief Operating Officer*”), a general counsel (“*General Counsel*”), a president (the “*President*”), one or more executive vice presidents (each, a “*Executive Vice President*”), one or more senior vice presidents (each, a “*Senior Vice President*”), a Secretary (the “*Secretary*”), a treasurer (the “*Treasurer*”), a controller (the “*Controller*”) and such other officers with such other titles as the Board of Directors may from time to time determine, each of whom shall be appointed by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be chosen by

the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly chosen and qualified, or until such person's earlier death, disqualification, resignation or removal. The Board of Directors, in its discretion, from time to time may determine not to appoint one or more of the officers identified in the first sentence of this Section 4.01 or to leave such officer position vacant. Any number of offices may be held by the same person.

Section 4.02 **Removal, Resignation and Vacancies**. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which it is a party. Any officer may resign at any time upon written or electronic notice to the Corporation, without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. If any vacancy occurs in any office of the Corporation, the Board of Directors may appoint a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly chosen and qualified or until such officer's earlier death, resignation, disqualification or removal.

Section 4.03 **Chief Executive Officer**. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy, and shall report directly to the Board of Directors. Unless otherwise provided in these Bylaws, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer.

Section 4.04 **Chief Financial Officer**. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.05 **Chief Operating Officer**. The Chief Operating Officer shall exercise all the powers and perform the duties of the office of the chief operating officer and shall be responsible for the management and control of the operations of the Corporation. The Chief Operating Officer shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors or the Chief Executive Officer. The Chief Operating Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.06 **General Counsel**. The General Counsel shall be the principal legal officer of the Corporation and exercise all the powers and perform the duties of the office of the general counsel and shall be responsible for the general direction of and supervision over the legal affairs of the Corporation and advising the Board of Directors and the officers of the Corporation on all legal matters. The General Counsel shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors or the Chief Executive Officer.

The General Counsel shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.07 **President**. The President shall have such powers and duties as shall be prescribed by the Chief Executive Officer. The President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine.

Section 4.08 **Executive Vice President and Senior Vice President**. Each Executive Vice President and Senior Vice President shall have such powers and duties as shall be prescribed by his or her superior officer or the Chief Executive Officer. Each Executive Vice President and Senior Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine. In accordance with Sections 4.01 and 4.13 of these Bylaws, the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the General Counsel and/or the President may, in his, her or their discretion, from time to time appoint one or more Executive Vice Presidents or Senior Vice Presidents of the Corporation and/or assistant vice presidents of the Corporation (each, an "***Assistant Vice President***").

Section 4.09 **Treasurer**. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall report to the Chief Financial Officer and, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer, the Chief Financial Officer or as the Board of Directors may from time to time determine. In accordance with Sections 4.01 and 4.13 of these Bylaws, the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, the General Counsel and/or the President may, in his, her or their discretion, from time to time appoint one or more assistant treasurers of the Corporation (each, an "***Assistant Treasurer***").

Section 4.10 **Controller**. The Controller shall report to the Chief Financial Officer and, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or the Chief Financial Officer or as the Board of Directors may from time to time determine.

Section 4.11 **Secretary**. The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the Stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of Stock and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and

other documents required by law to be kept and filed are properly kept and filed; and (v) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the Chief Executive Officer or as the Board of Directors may from time to time determine. In accordance with Sections 4.01 and 4.13 of these Bylaws, the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, General Counsel and/or the President may, in his, her or their discretion, from time to time appoint one or more assistant secretaries of the Corporation (each, an “**Assistant Secretary**”).

Section 4.12 **Appointing Attorneys and Agents; Voting Securities of Other Entities.** Unless otherwise provided by resolution adopted by the Board of Directors, the Chairperson, any Vice Chairperson, the Chief Executive Officer, the Chief Financial Officer or the General Counsel may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to (a) cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation or other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or other entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consents, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper and (b) exercise the rights of the Corporation in its capacity as a general partner of a partnership or in its capacity as a managing member of a limited liability company as to which the Corporation, in such capacity, is entitled to exercise pursuant to the applicable partnership agreement or limited liability company operating agreement, including without limitation to take or refrain from taking any action, or to consent in writing, in each case in the name of the Corporation as such general partner or managing member, to any action by such partnership or limited liability company, and may instruct the person or persons so appointed as to the manner of taking such actions or giving such consents, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper. Unless otherwise provided by resolution adopted by the Board of Directors, any of the rights set forth in this Section 4.12 which may be delegated to an attorney or agent may also be exercised directly by the Chairperson, a Vice Chairperson, the Chief Executive Officer, the Chief Financial Officer or the General Counsel.

Section 4.13 **Additional Matters.** The Chief Executive Officer, the Chief Financial Officer, the General Counsel and the President shall have the authority to designate employees of the Corporation to have the title of Executive Vice President, Senior Vice President, Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. A person designated as an Executive Vice President, Senior Vice President, Assistant Vice President, Assistant Treasurer or Assistant Secretary shall not be deemed to be an officer of the Corporation for the purposes of Article VI of these Bylaws unless the Board of Directors has adopted a resolution approving such

person in such capacity as an officer of the Corporation (including by means of direct appointment by the Board of Directors pursuant to Section 4.01 of these Bylaws).

ARTICLE V.
STOCK

Section 5.01 **Certificates.** The shares of Stock shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of Stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of Stock represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the DGCL.

Section 5.02 **Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates.** The Corporation may issue a new certificate for shares of Stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VI.
INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.01 **Right to Indemnification.** The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law (including as it presently exists or may hereafter be amended), any person (a "**Covered Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (any such action, suit or proceeding, a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer (as defined by Rule 16a-1 under the Exchange Act) of the Corporation or, while a director or officer (as defined by Rule 16a-1 under the Exchange Act) of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plan, against all liability and loss suffered (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) and expenses reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.03 of these Bylaws, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors.

Section 6.02 **Advancement of Expenses.** The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered

Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

Section 6.03 **Claims**. If a claim for indemnification under this Article VI (following the final disposition of such proceeding) is not paid in full within sixty (60) days after the Corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article VI is not paid in full within thirty (30) days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Covered Person shall be entitled to be paid the expense of prosecuting or defending such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law. In (i) any suit brought by the Covered Person to enforce a right to indemnification hereunder (but not a suit brought by that Covered Person to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the Covered Person has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its Stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Covered Person is proper in the circumstances because the Covered Person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its Stockholders) that the Covered Person has not met such applicable standard of conduct, shall create a presumption that the Covered Person has not met the applicable standard of conduct or, in the case of such a suit brought by the Covered Person, be a defense to such suit. In any suit brought by the Covered Person to enforce a right to indemnification or to an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the Corporation.

Section 6.04 **Non-exclusivity of Rights**. The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquires under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of Stockholders or disinterested directors or otherwise.

Section 6.05 **Amendment or Repeal**. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these Bylaws after the occurrence of the act or omission that is the subject of the proceeding for which indemnification or advancement of expenses is sought.

Section 6.06 **Other Indemnification and Advancement of Expenses**. This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

Section 6.07 **Nature of Rights**. The rights conferred upon Covered Persons in this Article VI shall be contract rights and such rights shall continue as to a Covered Person who has ceased to be a director or executive officer and shall inure to the benefit of the Covered Person's heirs, executors and administrators.

Section 6.08 **Insurance**. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

ARTICLE VII.
MISCELLANEOUS

Section 7.01 **Fiscal Year**. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 7.02 **Seal**. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.03 **Manner of Notice**.

(a) *Notice by Electronic Transmission*. Without limiting the manner by which notice otherwise may be given effectively to Stockholders pursuant to the DGCL, the Certificate of Incorporation or these Bylaws, any notice to Stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a form of electronic transmission consented to by the Stockholder to whom the notice is given. Any such consent shall be revocable by the Stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given (a) if by facsimile telecommunication, when directed to a number at which the Stockholder has consented to receive notice; (b) if by electronic mail, when directed to an electronic mail address at which the Stockholder has consented to receive notice; (c) if by a posting on an electronic network together with separate notice to the Stockholder of such specific posting, upon the later of (i) such posting

and (ii) the giving of such separate notice; and (d) if by any other form of electronic transmission, when directed to the Stockholder.

An affidavit of the Secretary or an Assistant Secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

For the purposes of these Bylaws, an “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, 1 or more electronic networks or databases (including 1 or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

(b) *Notice to Stockholders Sharing an Address.* Without limiting the manner by which notice otherwise may be given effectively to Stockholders, and except as prohibited by applicable law, any notice to Stockholders given by the Corporation under any provision of applicable law, the Certificate of Incorporation, or these Bylaws shall be effective if given by a single written notice to Stockholders who share an address if consented to by the Stockholders at that address to whom such notice is given. Any such consent shall be revocable by the Stockholder by written notice to the Corporation. Any Stockholder who fails to object in writing to the Corporation, within sixty (60) days of having been given written notice by the Corporation of its intention to send the single notice permitted under this Section 7.03, shall be deemed to have consented to receiving such single written notice.

Section 7.04 **Waiver of Notice of Meetings of Stockholders, Directors and Committees.** Whenever notice is required to be given under any provision of the DGCL or the Certificate of Incorporation or by these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

Section 7.05 **Form of Records.** Without limiting the provisions of Section 224 of the DGCL, any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

Section 7.06 **Amendment of Bylaws.** These Bylaws may be altered, amended or repealed, and new bylaws made, only by the affirmative vote of (a) directors constituting a majority of the

total number of authorized directorships or (b) Stockholders representing at least a majority of the votes eligible to be cast by the Stockholders entitled to vote thereon.

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

Class A Common Stock
PAR VALUE \$0.0001

Class A Common Stock

Certificate Number
ZQ00000000

Shares
*****000000*****
*****300000*****
*****000000*****
*****000000*****
*****900000*****



i3 VERTICALS, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE

SEE REVERSE FOR CERTAIN DEFINITIONS
CUSIP 46571Y 10 7

is the owner of

*****ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO*****

THIS CERTIFICATE IS TRANSFERABLE IN CITIES DESIGNATED BY THE TRANSFER AGENT. AVAILABLE ONLINE AT www.computershare.com

FULLY-PAID AND NON-ASSESSABLE SHARES OF CLASS A COMMON STOCK OF

i3 Verticals, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Clay Workman
Chief Financial Officer



Paul Mozale
General Counsel and Secretary

DATED DD-MMM-YYYY

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR.

By _____ AUTHORIZED SIGNATURE

i3 Verticals
PO BOX 4304, Providence, RI 02946-3004
MR. A. SAMPLE
DESIGNATION (IF ANY)
A00 1
A00 2
A00 3
A00 4

CUSIP IDENTIFIER XXXXXXXX XX X
Holder ID XXXXXXXXXXXX
Insurance Value 1,000,000.00
Number of Shares 123456
DTC 12345678 123456789012345
Certificate Numbers
12345678901234567890 1 1 1
12345678901234567890 2 2 2
12345678901234567890 3 3 3
12345678901234567890 4 4 4
12345678901234567890 5 5 5
12345678901234567890 6 6 6
Total Transaction 7

1234567

13 VERTICALS, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACTCustodian
		(Cust) (Minor)
TEN ENT - as tenants by the entireties		under Uniform Gifts to Minors Act
		(State)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACTCustodian (until age
		(Cust) (Minor)
	Under Uniform Transfers to Minors Act
		(State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto _____ PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____ Shares
of the Class A Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____ Attorney
to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: _____ 20_____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTEE INSTITUTION (Bank, Stockbroker, Savings and Loan Association or Credit Union) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15

SECURITY INSTRUCTIONS
THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.



The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first-in, first-out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.
If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

1534291

TAX RECEIVABLE AGREEMENT

by and among

i3 VERTICALS, INC.

i3 VERTICALS, LLC

the several MEMBERS (as defined herein) and

**OTHER MEMBERS OF i3 VERTICALS, LLC
FROM TIME TO TIME PARTY HERETO**

Dated as of [] [], 2018

CONTENTS

	Page
ARTICLE I. DEFINITIONS	2
Section 1.1 Definitions	2
ARTICLE II. DETERMINATION OF REALIZED TAX BENEFIT	9
Section 2.1 Basis Adjustments; the LLC 754 Election	9
Section 2.2 Basis Schedules	9
Section 2.3 Tax Benefit Schedules	9
Section 2.4 Procedures; Amendments	10
ARTICLE III. TAX BENEFIT PAYMENTS	11
Section 3.1 Timing and Amount of Tax Benefit Payments	11
Section 3.2 No Duplicative Payments	14
Section 3.3 Pro-Ration of Payments as Between the Members	14
ARTICLE IV. TERMINATION	15
Section 4.1 Early Termination of Agreement; Breach of Agreement	15
Section 4.2 Early Termination Notice	16
Section 4.3 Payment Upon Early Termination	17
ARTICLE V. SUBORDINATION AND LATE PAYMENTS	17
Section 5.1 Subordination	17
Section 5.2 Late Payments by the Corporation	18
ARTICLE VI. TAX MATTERS; CONSISTENCY; COOPERATION	18
Section 6.1 Participation in the Corporation's and the LLC's Tax Matters	18
Section 6.2 Consistency	18
Section 6.3 Cooperation	18
ARTICLE VII. MISCELLANEOUS	18
Section 7.1 Notices	18
Section 7.2 Counterparts	19
Section 7.3 Entire Agreement; No Third Party Beneficiaries	19
Section 7.4 Governing Law	20
Section 7.5 Severability	20
Section 7.6 Assignments; Amendments; Successors; No Waiver	20
Section 7.7 Titles and Subtitles	21
Section 7.8 Resolution of Disputes	21
Section 7.9 Reconciliation	22

Section 7.10	Withholding	22
Section 7.11	Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets	23
Section 7.12	Confidentiality	23
Section 7.13	Change in Law	24
Section 7.14	Interest Rate Limitation	24
Section 7.15	Independent Nature of Rights and Obligations	24
Section 7.16	LLC Agreement	25
Section 7.17	Rules of Construction	25

Exhibits

Exhibit A – Form of Joinder Agreement

TAX RECEIVABLE AGREEMENT

This TAX RECEIVABLE AGREEMENT, dated as of [_____] [__], 2018, is hereby entered into by and among i3 Verticals, Inc., a Delaware corporation (the “Corporation”), i3 Verticals, LLC, a Delaware limited liability company (the “LLC”), and each of the Members from time to time party hereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in Section 1.1.

RECITALS

WHEREAS, the LLC is treated as a partnership for U.S. federal income tax purposes;

WHEREAS, each of the members of the LLC other than the Corporation (such members who are parties hereto, and each other Person who becomes party hereto by satisfying the Joinder Requirement, the “Members”) owns (or, in the case of such other Persons, will own) limited liability company interests in the LLC (the “Units”);

WHEREAS, on the date hereof, the Corporation will become the managing member of the LLC;

WHEREAS, on the date hereof and exclusive of the Over-Allotment Option (as defined below), the Corporation issued [_____] shares of its Class A common stock, par value \$0.0001 per share (the “Class A Common Stock”) to certain purchasers in an initial public offering of its Class A Common Stock (the “IPO”);

WHEREAS, on the date hereof, the Corporation used a portion of the net proceeds from the IPO to purchase newly-issued Units directly from the LLC, which proceeds will be used by the LLC to repay certain indebtedness of the LLC;

WHEREAS, on and after the date hereof, the Corporation may issue additional Class A Common Stock in connection with the IPO as a result of the exercise by the underwriters of their over-allotment option (the “Over-Allotment Option”) and, if the Over-Allotment Option is in fact exercised in whole or in part, any additional net proceeds received by the Corporation will be used by the Corporation to acquire additional newly-issued Units directly from the LLC, which proceeds will be used by the LLC to repay certain indebtedness of the LLC;

[WHEREAS, on the date hereof, the Corporation used a portion of the net proceeds from the IPO to purchase Units directly from certain Members of the LLC (the “Purchase”);]

WHEREAS, on and after the date hereof, pursuant to the LLC Agreement, subject to certain restrictions, each Member has the right from time to time to require the LLC to redeem (a “Redemption”) all or a portion of such Member’s Units for cash or, at the LLC’s election, Class A Common Stock; provided that, at the election of the Corporation in its sole discretion, the Corporation may effect a direct exchange (a “Direct Exchange”) of such cash or shares of Class A Common Stock for such Units;

WHEREAS, the LLC will have in effect an election under Section 754 of the Code (as defined herein) for the Taxable Year (as defined herein) in which any Exchange (as defined below) occurs, which election should result in an adjustment to the Corporation’s share of the tax basis of the assets owned by the LLC as of the date of the Exchange, with a consequent result on the taxable income subsequently derived therefrom; and

WHEREAS, the parties to this Agreement desire to provide for certain payments and make certain arrangements with respect to any tax benefits to be derived by the Corporation as the result of Exchanges and the receipt of payments under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings.

“Actual Interest Amount” is defined in Section 3.1(b)(vii) of this Agreement.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

“Agreed Rate” means LIBOR plus 100 basis points.

“Agreement” is defined in the preamble.

“Amended Schedule” is defined in Section 2.4(b) of this Agreement.

“Assumed State and Local Tax Rate” means the tax rate equal to the sum of the products of (x) the Corporation’s income tax apportionment rate(s) for each state and local jurisdiction in which the Corporation files income or franchise tax returns for the relevant Taxable Year and (y) the highest corporate income and franchise tax rate(s) for each such state and local jurisdiction in which the Corporation files income tax returns for each relevant Taxable Year

“Attributable” is defined in Section 3.1(b)(i) of this Agreement.

“Basis Adjustment” means the increase or decrease to the tax basis of, or the Corporation’s share of, the tax basis of the Reference Assets (i) under Section 734(b), 743(b) and 754 of the Code and, in each case, the comparable sections of U.S. state and local tax law (in situations where, following an Exchange, the LLC remains in existence as an entity for tax purposes) and (ii) under Sections 732 and 1012 of the Code and, in each case, the comparable sections of U.S. state and local tax law (in situations where, as a result of one or more Exchanges, the LLC becomes an entity that is disregarded as separate from its owner for tax purposes), in each case, as a result of any Exchange and any payments made under this Agreement. Notwithstanding any other provision of this Agreement, the amount of any Basis Adjustment resulting from an Exchange of one or more Units shall be determined without regard to any Pre-Exchange Transfer of such Units and as if any such Pre-Exchange Transfer had not occurred.

“Basis Schedule” is defined in Section 2.2 of this Agreement.

“Board” means the Board of Directors of the Corporation.

“Business Day” means any day excluding Saturday, Sunday and any day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York are closed.

“Change of Control” means the occurrence of any of the following events:

- (1) any “person” or “group” (within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, or any successor provisions thereto (the “Exchange Act”), but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, and excluding the Permitted Transferees) becomes the “beneficial owner” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of shares of Class A Common Stock, Class B Common Stock, Preferred Stock and/or any other class or classes of capital stock of the Corporation (if any) representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote;
- (2) the shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Corporation of all or substantially all of the Corporation’s assets (including a sale of all or substantially all of the assets of the LLC);
- (3) there is consummated a merger or consolidation of the Corporation with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the voting securities of the Corporation immediately prior to such merger or consolidation do not continue to represent, or are not converted into, more than 50% of the combined voting power of the then outstanding voting securities of the Person resulting from such merger or consolidation or, if the surviving company is a Subsidiary, the ultimate parent thereof; or
- (4) the Corporation ceases to be the sole managing member of the LLC.

Notwithstanding the foregoing, a “Change of Control” shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Class A Common Stock and Class B Common Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporation immediately following such transaction or series of transactions.

“Class B Common Stock” means shares of Class B common stock, par value \$0.0001 per share, of the Corporation.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or other agreement.

“Corporation” is defined in the preamble to this Agreement.

“Covered Tax Benefit” is defined in Section 3.3(a) of this Agreement.

“Covered Taxes” means any and all U.S. federal, state, local and foreign taxes, assessments or similar charges that are based on or measured with respect to net income or profits and any interest related thereto.

“Cumulative Net Realized Tax Benefit” is defined in Section 3.1(b)(iii) of this Agreement.

“Default Rate” means the sum of (i) the highest rate applicable at the time under the Senior Secured Credit Facilities plus (ii) 200 basis points, it being understood that if there are no Senior Secured Credit Facilities then the Default Rate shall be LIBOR plus 500 basis points.

“Default Rate Interest” is defined in Section 3.1(b)(ix) of this Agreement.

“Determination” shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of U.S. state tax law, as applicable, or any other event (including the execution of IRS Form 870-AD) that finally and conclusively establishes the amount of any liability for tax.

“Direct Exchange” is defined in the recitals to this agreement.

“Dispute” is defined in Section 7.8(a) of this Agreement.

“Early Termination Effective Date” means the date of an Early Termination Notice for purposes of determining the Early Termination Payment.

“Early Termination Notice” is defined in Section 4.2 of this Agreement.

“Early Termination Payment” is defined in Section 4.3(b) of this Agreement.

“Early Termination Rate” means LIBOR plus 200 basis points.

“Early Termination Reference Date” is defined in Section 4.2 of this Agreement.

“Early Termination Schedule” is defined in Section 4.2 of this Agreement.

“Exchange” means any Direct Exchange, any Redemption and the Purchase.

“Exchange Date” means the date of any Exchange.

“Exchanged Units” means any Units acquired by the Corporation from the LLC as a result of a Redemption or an Exchanging Member as a result of a Direct Exchange or a Purchase.

“Exchanging Member” means a Member that Exchanges, or has Exchanged, some or all of its Units in connection with or after the IPO.

“Expert” is defined in Section 7.9 of this Agreement.

“Extension Rate Interest” is defined in Section 3.1(b)(viii) of this Agreement.

“Final Payment Date” means any date on which a payment is required to be made pursuant to this Agreement. For the avoidance of doubt, the Final Payment Date in respect of a Tax Benefit Payment is determined pursuant to Section 3.1(a) of this Agreement.

“Hypothetical Tax Liability” means, with respect to any Taxable Year, the hypothetical liability of the Corporation that would arise in respect of Covered Taxes, using the same methods, elections, conventions and similar practices used on the actual relevant Tax Returns of the Corporation but (i) calculating depreciation, amortization, or other similar deductions, or otherwise calculating any items of income, gain, or loss, using the Corporation’s share of the Non-Adjusted Tax Basis as reflected on the Basis Schedule, including amendments thereto for the Taxable Year and (ii) excluding any deduction attributable to Imputed Interest, Actual Interest Amounts or Default Rate Interest for the Taxable Year; *provided*, that for purposes determining the Hypothetical Tax Liability, the combined tax rate for U.S. state and local Covered Taxes (but not, for the avoidance of doubt, federal Covered Taxes) shall be the Assumed State and Local Tax Rate. For the avoidance of doubt, (i) the Hypothetical Tax Liability shall be determined without taking into account the carryover or carryback of any tax item attributable to Imputed Interest, Actual Interest, Default Rate Interest or a Basis Adjustment (or portions thereof); and (ii) the calculation of the Hypothetical Tax Liability shall take into account the federal benefit received by the Corporation with respect to state and local jurisdiction income taxes (with such benefit taking into account the Corporation’s marginal U.S. federal income tax rate for the relevant Taxable Year, the Assumed State and Local Tax Rate, and the deductibility, if any, of state and local jurisdiction income taxes).

“Imputed Interest” is defined in Section 3.1(b)(vi) of this Agreement.

“Independent Directors” means the members of the Board who are “independent” under the standards set forth in Rule 10A-3 promulgated under the Exchange Act and the corresponding rules of the applicable exchange on which the Class A Common Stock is traded or quoted.

“IPO” is defined in the recitals to this Agreement.

“IRS” means the U.S. Internal Revenue Service.

“Joinder” means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

“Joinder Requirement” is defined in Section 7.6(a) of this Agreement.

“LIBOR” means during any period, the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Corporation as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (a “Alternate Source”), at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of such period as the London interbank offered rate for U.S. dollars having a borrowing date and a maturity comparable to such period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any LIBOR Alternate Source, a comparable replacement rate determined by the Corporation at such time, which determination shall be conclusive absent manifest error; provided, that at no time shall LIBOR be less than 0%.

“LLC” is defined in the recitals to this Agreement.

“LLC Agreement” means that certain Limited Liability Company Agreement of the LLC, dated as of the date hereof.

“Market Value” means the Common Unit Redemption Price, as defined in the LLC Agreement, determined as of an Early Termination Date.

“Members” is defined in the recitals to this Agreement.

“Net Tax Benefit” is defined in Section 3.1(b)(ii) of this Agreement.

“Non-Adjusted Tax Basis” means, with respect to any Reference Asset at any time, the tax basis that such asset would have had at such time if no Basis Adjustments had been made.

“Objection Notice” is defined in Section 2.4(a)(i) of this Agreement.

“Over-Allotment Option” is defined in the recitals to this Agreement.

“Parties” means the parties named on the signature pages to this Agreement and each additional party that satisfies the Joinder Requirement, in each case with their respective successors and assigns.

“Person” means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

“Permitted Transfer” means the transfer of Units by a holder of Units to any transferee as permitted by the LLC Agreement.

“Permitted Transferee” means a holder of Units pursuant to a Permitted Transfer.

“Pre-Exchange Transfer” means any transfer of one or more Units (including upon the death of a Member) (i) that occurs after the IPO but prior to an Exchange of such Units and (ii) to which Section 743(b) of the Code applies.

“Realized Tax Benefit” is defined in Section 3.1(b)(iv) of this Agreement.

“Realized Tax Detriment” is defined in Section 3.1(b)(v) of this Agreement.

“Reconciliation Dispute” is defined in Section 7.9 of this Agreement.

“Reconciliation Procedures” is defined in Section 2.4(a) of this Agreement.

“Redemption” has the meaning in the recitals to this Agreement.

“Reference Asset” means any tangible or intangible asset of the LLC or any of its successors or assigns, and whether held directly by the LLC or indirectly by the LLC through any entity in which the LLC now holds or may subsequently hold an ownership interest (but only if such entity is treated as a partnership or disregarded entity for purposes of the applicable tax), at the time of an Exchange. A Reference Asset also includes any asset the tax basis of which is determined, in whole or in part, by reference to the tax basis of an asset that is described in the preceding sentence, including “substituted basis property” within the meaning of Section 7701(a)(42) of the Code.

“Schedule” means any of the following: (i) a Basis Schedule, (ii) a Tax Benefit Schedule, or (iii) the Early Termination Schedule, and, in each case, any amendments thereto.

“Senior Obligations” is defined in Section 5.1 of this Agreement.

“Senior Secured Credit Facilities” means the indebtedness described in that certain Credit Agreement entered into on October 30, 2017, as amended from time to time, or any replacement or refinancing thereof.

“Subsidiary” means, with respect to any Person and as of the date of any determination, any other Person as to which such Person, owns, directly or indirectly, or otherwise controls, more than 50% of the voting power or other similar interests, or the sole general partner interest, or managing member or similar interest, of such Person.

“Subsidiary Stock” means any stock or other equity interest in any Subsidiary of the Corporation that is treated as a corporation for U.S. federal income tax purposes.

“Supermajority Member Approval” means written approval by Members whose rights under this Agreement are attributable to at least seventy percent (70%) of the Units outstanding (and not held by the Corporation) immediately after the IPO (as appropriately adjusted for any subsequent changes to the number of outstanding Units). For purposes of this definition, a Member’s rights under this Agreement shall be attributed to Units as of the time of a determination of Supermajority Member Approval. For the avoidance of doubt, (i) an Exchanged Unit shall be attributed only to the Member entitled to receive Tax Benefit Payments with respect to such Exchanged Unit (i.e., the Exchangor or the assignee of its rights hereunder) and (ii) an outstanding Unit that has not yet been Exchanged shall be attributed only to the Member entitled to receive Tax Benefit Payments upon the Exchange of such Unit (i.e., the member of the LLC or the assignee of its rights hereunder).

“Tax Benefit Payment” is defined in Section 3.1(b) of this Agreement.

“Tax Benefit Schedule” is defined in Section 2.3(a) of this Agreement.

“Tax Return” means any return, declaration, report or similar statement required to be filed with respect to taxes (including any attached schedules), including, without limitation, any information return, claim for refund, amended return and declaration of estimated tax.

“Taxable Year” means a taxable year of the Corporation as defined in Section 441(b) of the Code or comparable section of U.S. state or local tax law, as applicable (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made), ending on or after the closing date of the IPO.

“Taxing Authority” means any national, federal, state, county, municipal, or local government, or any subdivision, agency, commission or authority thereof, or any quasi-governmental body, or any other authority of any kind, exercising regulatory or other authority in relation to tax matters.

“Termination Objection Notice” is defined in Section 4.2 of this Agreement.

“Treasury Regulations” means the final, temporary, and (to the extent they can be relied upon) proposed regulations under the Code, as promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

“U.S.” means the United States of America.

“Units” is defined in the recitals to this Agreement.

“Valuation Assumptions” means, as of an Early Termination Effective Date, the assumptions that:

(1) in each Taxable Year ending on or after such Early Termination Effective Date, the Corporation will have taxable income sufficient to fully use the deductions arising from the Basis Adjustments and the Imputed Interest during such Taxable Year or future Taxable Years (including, for the avoidance of doubt, Basis Adjustments and Imputed Interest that would result from future Tax Benefit Payments that would be paid in accordance with the Valuation Assumptions) in which such deductions would become available;

(2) the U.S. federal income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other law as in effect on the Early Termination Effective Date, except to the extent any change to such tax rates for such Taxable Year have already been enacted into law and the combined U.S. state and local income tax rates (but not, for the avoidance of doubt, federal income tax rates) for each such Taxable Year shall be the Assumed State and Local Tax Rate for the Taxable Year that includes the Early Termination Effective Date; and, for the avoidance of doubt, the applicable calculations shall take into account the federal benefit received by the Corporation with respect to state and local jurisdiction income taxes

(3) any loss carryovers or carrybacks generated by any Basis Adjustment or Imputed Interest (including such Basis Adjustment and Imputed Interest generated as a result of payments under this Agreement) and available as of the Early Termination Effective Date will be used by the Corporation on a pro rata basis from the date of the Early Termination Effective Date through the scheduled expiration date of such loss carryovers or carrybacks;

(4) any non-amortizable assets (other than Subsidiary Stock) will be disposed of on the earlier of the fifteenth anniversary of (i) the applicable Basis Adjustment and (ii) the Early Termination Effective Date;

(5) any Subsidiary Stock will be deemed never to be disposed of except if Subsidiary Stock is directly disposed of in the Change of Control;

(6) if, on the Early Termination Effective Date, any Member has Units that have not been Exchanged, then such Units shall be deemed to be Exchanged for the Market Value that would be received by such Member if such Units had been Exchanged on the Early Termination Effective Date, and such Member shall be deemed to receive the amount of cash such Member would have been entitled to pursuant to Section 4.3(a) had such Units actually been Exchanged on the Early Termination Effective Date;

(7) any payment obligations pursuant to this Agreement will be satisfied on the date that any Tax Return to which such payment obligation relates is required to be filed excluding any extensions.

ARTICLE II.
DETERMINATION OF REALIZED TAX BENEFIT

Section 2.1 Basis Adjustments; the LLC 754 Election.

(a) Basis Adjustments. The Parties acknowledge and agree that (A) the Purchase shall and each Direct Exchange shall give rise to Basis Adjustments and (B) each Redemption using cash or Class A Common Stock contributed to the LLC by the Corporation shall be treated as a direct purchase of Units by the Corporation from the applicable Member pursuant to Section 707(a)(2)(B) of the Code that shall give rise to Basis Adjustments. In connection with the Purchase, a Direct Exchange or a Redemption, the Parties acknowledge and agree that pursuant to applicable law the Corporation's share of the basis in the Reference Assets shall be increased by the excess, if any, of (A) the sum of (x) the fair market value of Class A Common Stock or the cash transferred to a Member pursuant to an Exchange as payment for the Units, (y) the amount of payments made pursuant to this Agreement with respect to such Exchange and (z) the amount of liabilities allocated to the Units acquired pursuant to the Exchange, over (B) the Corporation's proportionate share of the basis of the Reference Assets immediately after the Exchange attributable to the Units exchanged, determined as if each member of the LLC Group remains in existence as an entity for tax purposes and no member of the LLC Group made the election provided by Section 754 of the Code.

For the avoidance of doubt, payments made under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent that such payments are treated as Imputed Interest or are Actual Interest Amounts or Default Rate Interest.

(b) Section 754 Election. In its capacity as the sole managing member of the LLC, the Corporation will ensure that, on and after the date hereof and continuing throughout the term of this Agreement, the LLC and each of its direct and indirect Subsidiaries that is treated as a partnership for U.S. federal income tax purposes will have in effect an election under Section 754 of the Code (and under any similar provisions of applicable U.S. state or local law).

Section 2.2 Basis Schedules. Within ninety (90) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for each relevant Taxable Year, the Corporation shall deliver to the LLC and each Exchanging Member a schedule (the "Basis Schedule") that shows, in reasonable detail as necessary in order to understand the calculations performed under this Agreement: (a) the Basis Adjustments with respect to the Reference Assets as a result of the relevant Exchanges effected in such Taxable Year and (b) the period (or periods) over which each Basis Adjustment is amortizable and/or depreciable. The Basis Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a) and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(b).

Section 2.3 Tax Benefit Schedules.

(a) Tax Benefit Schedule. Within ninety (90) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for any Taxable Year in which there is a Realized Tax Benefit or Realized Tax Detriment, the Corporation shall provide to the LLC and each Exchanging Member a schedule showing, in reasonable detail, the calculation of the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year (a "Tax Benefit Schedule"). The Tax Benefit Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a), and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(b).

(b) Applicable Principles. Subject to the provisions of this Agreement, the Realized Tax Benefit or Realized Tax Detriment for each Taxable Year is intended to measure the decrease or increase in the actual liability of the Corporation for Covered Taxes for such Taxable Year attributable to the Basis Adjustments, Imputed Interest, Actual Interest Amounts, and Default Rate Interest as determined using a “with and without” methodology described in Section 2.4(a). Carryovers or carrybacks of any Tax item attributable to any Basis Adjustment, Imputed Interest, Actual Interest Amounts, and Default Rate Interest shall be considered to be subject to the rules of the Code and the Treasury Regulations or the appropriate provisions of U.S. state or local tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any Tax item includes a portion that is attributable to a Basis Adjustment, Imputed Interest, Actual Interest Amounts, and Default Rate Interest (a “TRA Portion”) and another portion that is not (a “Non-TRA Portion”), such portions shall be considered to be used in accordance with the “with and without” methodology so that: (i) the amount of any Non-TRA Portion is deemed utilized first, followed by the amount of any TRA Portion (with the TRA Portion being applied on a proportionate basis consistent with the provisions of Section 3.3(a)); and (ii) in the case of a carryback of a Non-TRA Portion, such carryback shall not affect the original “with and without” calculation made in the prior Taxable Year. The Parties agree that (i) all Tax Benefit Payments (other than Imputed Interest, Actual Interest Amounts and Default Rate Interest) attributable to an Exchange will to the extent permitted by applicable law (A) be treated as subsequent upward purchase price adjustments that give rise to further Basis Adjustments for the Corporation and (B) have the effect of creating additional Basis Adjustments for the Corporation in the year of payment, and (ii) as a result, such additional Basis Adjustments will be incorporated into the current Taxable Year continuing until any incremental current Taxable Year benefits equal an immaterial amount.

Section 2.4 Procedures; Amendments.

(a) Procedures. Each time the Corporation delivers an applicable Schedule to the LLC and an Exchanging Member under this Agreement, including any Amended Schedule delivered pursuant to Section 2.4(b), but excluding any Early Termination Schedule or amended Early Termination Schedule delivered pursuant to the procedures set forth in Section 4.2, the Corporation shall also: (x) deliver supporting schedules and work papers, as reasonably determined by the Corporation or as reasonably requested by an Exchanging Member, that provide a reasonable level of detail regarding the data and calculations that were relevant for purposes of preparing the Schedule; and (y) allow the Exchanging Members and their advisors to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by the Exchanging Members at the Corporation in connection with a review of such Schedule. Without limiting the generality of the preceding sentence, the Corporation shall ensure that any Tax Benefit Schedule that is delivered to the LLC or the Exchanging Members along with any supporting schedules and work papers, provides a reasonably detailed presentation of the calculation of the actual liability of the Corporation for Covered Taxes (the “with” calculation) and the Hypothetical Tax Liability of the Corporation (the “without” calculation), and identifies any material assumptions or operating procedures or principles that were used for purposes of such calculations. An applicable Schedule or amendment thereto shall become final and binding on the Parties thirty (30) calendar days from the date on which any Exchanging Member first received the applicable Schedule or amendment thereto unless:

(i) an Exchanging Member, within thirty (30) calendar days after receiving the applicable Schedule or amendment thereto, provides the LLC and the Corporation with written notice of a material objection to such Schedule that is made in good faith and that sets forth in reasonable detail the Exchanging Member’s material objection (an “Objection Notice”) or

(ii) each of the Exchanging Members provides a written waiver of its right to deliver an Objection Notice within the time period described in clause (i) above, in which case such Schedule or amendment thereto becomes binding on the date the waiver from each Exchanging Member is received by the LLC or the Corporation.

In the event an Exchanging Member timely delivers an Objection Notice pursuant to clause (i) above, and if such Exchanging Member, the LLC and the Corporation, for any reason, are unable to successfully resolve the issues raised in the Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Objection Notice, the Corporation, the LLC and the Exchanging Members shall employ the reconciliation procedures as described in Section 7.9 of this Agreement (the "Reconciliation Procedures"). In the event the resolution of the issues raised in an Objection Notice similarly impact Exchanging Members who did not timely deliver an Objection Notice, the Schedule as it applies to such other Exchanging Members shall be appropriately adjusted.

(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporation: (i) in connection with a Determination affecting such Schedule; (ii) to correct inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was originally provided to the LLC or the Exchanging Members; (iii) to comply with an Expert's determination under the Reconciliation Procedures applicable to this Agreement; (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to a carryback or carryforward of a loss or other Tax item to such Taxable Year; (v) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year; or (vi) to adjust a Basis Schedule to take into account any Tax Benefit Payments made pursuant to this Agreement (any such Schedule, an "Amended Schedule").

ARTICLE III. TAX BENEFIT PAYMENTS

Section 3.1 Timing and Amount of Tax Benefit Payments.

(a) Timing of Payments. Subject to Sections 3.2 and 3.3, within three (3) Business Days following the date on which each Tax Benefit Schedule that is required to be delivered by the Corporation to the LLC and the Exchanging Members pursuant to Section 2.3(a) of this Agreement becomes final in accordance with Section 2.4(a) of this Agreement, the LLC shall pay to each relevant Member the Tax Benefit Payment as determined pursuant to Section 3.1(b); provided, that if the Corporation effected a Direct Exchange with an Exchanging Member with respect to any Exchanged Units or any Purchase, any payments to which such Exchanging Member is entitled under this Agreement shall be made directly by the Corporation, and the LLC shall have no liability with respect thereto. Each such Tax Benefit Payment shall be made by wire transfer of immediately available funds to the bank account previously designated by such Members. For the avoidance of doubt, neither the Members nor the LLC shall be required under any circumstances to return any portion of any Tax Benefit Payment previously paid by the LLC or the Corporation (including any portion of any Early Termination Payment).

(b) Amount of Payments. For purposes of this Agreement, a “Tax Benefit Payment” with respect to any Member means an amount, not less than zero, equal to the sum of: (x) the portion of the Net Tax Benefit that is Attributable to such Member (including Imputed Interest calculated in respect of such amount); and (y) the Actual Interest Amount with respect to the Net Tax Benefit described in (x).

(i) Attributable. A Net Tax Benefit is “Attributable” to a Member to the extent that it is derived from any Basis Adjustment, Imputed Interest, or Actual Interest Amount that is attributable to an Exchange undertaken by or with respect to such Member.

(ii) Net Tax Benefit. The “Net Tax Benefit” for a Taxable Year equals the amount of the excess, if any, of (x) 85% of the Cumulative Net Realized Tax Benefit as of the end of such Taxable Year over (y) the aggregate amount of all Tax Benefit Payments previously made under this Section 3.1. For the avoidance of doubt, if the Cumulative Net Realized Tax Benefit as of the end of any Taxable Year is less than the aggregate amount of all Tax Benefit Payments previously made, no Member shall be required to return any portion of any Tax Benefit Payment previously made by the Corporation or the LLC to such Member (and the LLC shall have no such liability to the Corporation).

(iii) Cumulative Net Realized Tax Benefit. The “Cumulative Net Realized Tax Benefit” for a Taxable Year equals the cumulative amount of Realized Tax Benefits for all Taxable Years of the Corporation, up to and including such Taxable Year, net of the cumulative amount of Realized Tax Detriments for the same period. The Realized Tax Benefit and Realized Tax Detriment for each Taxable Year shall be determined based on the most recent Tax Benefit Schedule or Amended Schedule, if any, in existence at the time of such determination.

(iv) Realized Tax Benefit. The “Realized Tax Benefit” for a Taxable Year equals the excess, if any, of the Hypothetical Tax Liability over the actual liability of the Corporation for Covered Taxes; *provided*, that for purposes of determining the Hypothetical Tax Liability and actual liability of the Corporation for Covered Taxes, the Corporation shall use the Assumed State and Local Tax Rate for purposes of determining such liabilities for all state and local Covered Taxes. For the avoidance of doubt, the calculation of the Hypothetical Tax Liability and the actual liability of the Corporation for Covered Taxes shall take into account the federal benefit received by the Corporation with respect to state and local jurisdiction income taxes (with such benefit taking into account the Corporation’s marginal U.S. federal income tax rate for the relevant Taxable Year, the Assumed State and Local Tax Rate, and the deductibility, if any, of state and local jurisdiction income taxes). If all or a portion of the actual liability for such Covered Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination.

(v) Realized Tax Detriment. The “Realized Tax Detriment” for a Taxable Year equals the excess, if any, of the actual liability of the Corporation for Covered Taxes over the Hypothetical Tax Liability for such Taxable Year; *provided*, that for purposes of determining the Hypothetical Tax Liability and actual liability of the Corporation for Covered Taxes, the Corporation shall use the Assumed State and Local Tax Rate for purposes of determining such liabilities for all state and local Covered Taxes. For the avoidance of doubt, the calculation of the Hypothetical Tax Liability and the actual liability of the Corporation for Covered Taxes shall take into account the federal benefit received by the Corporation with respect to state and local jurisdiction income taxes (with such benefit taking into account the Corporation’s marginal U.S.

federal income tax rate for the relevant Taxable Year, the Assumed State and Local Tax Rate, and the deductibility, if any, of state and local jurisdiction income taxes). If all or a portion of the actual liability for such Covered Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Detriment unless and until there has been a Determination.

(vi) Imputed Interest. The parties acknowledge that the principles of Sections 1272, 1274, or 483 of the Code, as applicable, and the principles of any similar provision of U.S. state and local law, will, as applicable, apply to cause a portion of any Net Tax Benefit payable by the Corporation or the LLC to a Member under this Agreement to be treated as imputed interest (“Imputed Interest”). For the avoidance of doubt, the deduction for the amount of Imputed Interest as determined with respect to any Net Tax Benefit payable to a Member shall be excluded in determining the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(vii) Actual Interest Amount. The “Actual Interest Amount” calculated in respect of the Net Tax Benefit for a Taxable Year will equal the amount of any Extension Rate Interest. For the avoidance of doubt, any deduction for any Actual Interest Amount as determined with respect to any Net Tax Benefit payable by the Corporation or the LLC to a Member shall be excluded in determining the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(viii) Extension Rate Interest. The amount of “Extension Rate Interest” calculated in respect of the Net Tax Benefit (including previously accrued Imputed Interest) for a Taxable Year will equal interest calculated at the Agreed Rate from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the date on which the Corporation or the LLC makes a timely Tax Benefit Payment to the Member on or before the Final Payment Date as determined pursuant to Section 3.1(a).

(ix) Default Rate Interest. In the event that the Corporation or the LLC does not make timely payment of all or any portion of a Tax Benefit Payment to a Member on or before the Final Payment Date as determined pursuant to Section 3.1(a), the amount of “Default Rate Interest” calculated in respect of the Net Tax Benefit (including previously accrued Imputed Interest and Extension Rate Interest) for a Taxable Year will equal interest calculated at the Default Rate from the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a) until the date on which the LLC or the Corporation makes such Tax Benefit Payment to such Member. For the avoidance of doubt, any deduction for any Default Rate Interest with respect to any Net Tax Benefit payable by the Corporation or the LLC to a Member shall be excluded in determining the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(x) The Corporation, the LLC and the Members hereby acknowledge and agree that, as of the date of this Agreement and as of the date of any future Exchange that may be subject to this Agreement, the aggregate value of the Tax Benefit Payments cannot be reasonably ascertained for U.S. federal income or other applicable tax purposes.

(c) Interest. The provisions of Section 3.1(b) are intended to operate so that interest will effectively accrue in respect of the Net Tax Benefit for any Taxable Year as follows:

- (i) first, at the applicable rate used to determine the amount of Imputed Interest under the Code (from the relevant Exchange Date until the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year and, if required under applicable law, through the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a));
- (ii) second, at the Agreed Rate in respect of any Extension Rate Interest (from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a)); and
- (iii) third, at the Default Rate in respect of any Default Rate Interest (from the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a) until the date on which the Corporation or the LLC makes the relevant Tax Benefit Payment to a Member).

Section 3.2 No Duplicative Payments. It is intended that the provisions of this Agreement will not result in the duplicative payment of any amount (including interest) that may be required under this Agreement, and the provisions of this Agreement shall be consistently interpreted and applied in accordance with that intent. For purposes of this Agreement, and also for the avoidance of doubt, no Tax Benefit Payment shall be required to be calculated or made in respect of any estimated tax payments, including, without limitation, any estimated U.S. federal income tax payments.

Section 3.3 Pro-Ration of Payments as Between the Members.

(a) Insufficient Taxable Income. Notwithstanding anything in Section 3.1(b) to the contrary, if the aggregate potential depreciation, amortization or other similar deductions in respect of the Basis Adjustments, Imputed Interest, Actual Interest Amounts, and Default Rate Interest for purposes of determining the Corporation's liability for Covered Taxes (the "Covered Tax Benefit") is limited in a particular Taxable Year because the Corporation does not have sufficient actual taxable income, then the available Covered Tax Benefit for the Corporation shall be allocated among the Members in proportion to the respective Tax Benefit Payment that would have been payable if the Corporation had in fact had sufficient taxable income so that there had been no such limitation. As an illustration of the intended operation of this Section 3.3(a), if the Corporation had \$200 of aggregate potential Covered Tax Benefits in a particular Taxable Year (with \$50 of such Covered Tax Benefits being attributable to Member 1 and \$150 of such Covered Tax Benefits being attributable to Member 2), such that Member 1 would have potentially been entitled to a Tax Benefit Payment of \$42.50 and Member 2 would have been entitled to a Tax Benefit Payment of \$127.50 if the Corporation had \$200 of actual taxable income, and if at the same time the Corporation only had \$100 of actual taxable income in such Taxable Year, then \$25 of the aggregate \$100 actual Covered Tax Benefit for the Corporation for such Taxable Year would be allocated to Member 1 and \$75 of the aggregate \$100 actual Covered Tax benefit for the Corporation would be allocated to Member 2, such that Member 1 would receive a Tax Benefit Payment of \$21.25 and Member 2 would receive a Tax Benefit Payment of \$63.75.

(b) Late Payments. If for any reason the Corporation or the LLC is not able to timely and fully satisfy its payment obligations under this Agreement in respect of a particular Taxable Year, then Default Rate Interest will begin to accrue pursuant to Section 5.2 and the Corporation and other Parties agree that (i) the Corporation or the LLC shall pay the Tax Benefit Payments due in respect of such

Taxable Year to each Member pro rata in proportion to the amount of such Tax Benefit Payments, without favoring one obligation over the other, and (ii) no Tax Benefit Payment shall be made in respect of any Taxable Year until all Tax Benefit Payments to all Members in respect of all prior Taxable Years have been made in full.

ARTICLE IV. TERMINATION

Section 4.1 Early Termination of Agreement; Breach of Agreement.

(a) Corporation's Early Termination Right. With the written approval of a majority of the Independent Directors, the Corporation may completely terminate this Agreement, as and to the extent provided herein, with respect to all amounts payable to the Members pursuant to this Agreement by paying to the LLC or the Members, as the case may be, the Early Termination Payment; provided, that the LLC shall immediately pay any Early Termination Payment it receives pursuant to this Article IV to the Members; and *provided further*, that Early Termination Payments may be made pursuant to this Section 4.1(a) only if made with respect to all Members that are entitled to such a payment simultaneously; and *provided further*, that the Corporation may withdraw any notice to execute its termination rights under this Section 4.1(a) prior to the time at which any Early Termination Payment has been paid. Upon the Corporation's payment of the Early Termination Payment (and, if applicable, the LLC's payment of the Early Termination Payment to the Members), neither the Corporation nor the LLC shall have any further payment obligations under this Agreement, other than with respect to any: (i) prior Tax Benefit Payments that are due and payable under this Agreement but that still remain unpaid as of the date of the Early Termination Notice; and (ii) current Tax Benefit Payment due for the Taxable Year ending on or including the date of the Early Termination Notice (except to the extent that the amount described in clause (ii) is included in the calculation of the Early Termination Payment). If an Exchange subsequently occurs with respect to Units for which the Corporation has exercised its termination rights under this Section 4.1(a), neither the Corporation nor the LLC shall have any obligations under this Agreement with respect to such Exchange.

(b) Acceleration Upon Change of Control. In the event of a Change of Control, all obligations hereunder shall be accelerated and such obligations shall be calculated pursuant to this Article IV as if an Early Termination Notice had been delivered on the closing date of the Change of Control and utilizing the Valuation Assumptions by substituting the phrase "the closing date of a Change of Control" in each place where the phrase "Early Termination Effective Date" appears. Such obligations shall include, but not be limited to, (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the closing date of the Change of Control, (2) any Tax Benefit Payments agreed to by the Corporation, the LLC and the Members as due and payable but unpaid as of the Early Termination Notice and (3) any Tax Benefit Payments due for any Taxable Year ending prior to, with or including the closing date of a Change of Control (except to the extent that any amounts described in clauses (2) or (3) are included in the Early Termination Payment). For the avoidance of doubt, Sections 4.2 and 4.3 shall apply to a Change of Control, *mutadis mutandi*.

(c) Acceleration Upon Breach of Agreement. In the event that the Corporation or the LLC fails to make any payment pursuant to this Agreement when due (after a reasonable opportunity to cure), or in the event of the rejection of this Agreement in a case commenced under the Bankruptcy Code or otherwise, then all obligations hereunder shall be accelerated and become immediately due and payable upon notice of acceleration from a Member (provided that in the case of any proceeding under the Bankruptcy Code or other insolvency statute, such acceleration shall be automatic without any such

notice), and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such notice of acceleration (or, in the case of any proceeding under the Bankruptcy Code or other insolvency statute, on the date of such breach) and shall include, but not be limited to: (i) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the date of such acceleration; (ii) any prior Tax Benefit Payments that are due and payable under this Agreement but that still remain unpaid as of the date of such acceleration; and (iii) any current Tax Benefit Payment due for the Taxable Year ending with or including the date of such acceleration (except to the extent included in the Early Termination Payment). Notwithstanding the foregoing, in the event that the Corporation or the LLC breaches this Agreement and such breach is not a material breach of a material obligation, a Member (or the LLC, if applicable) shall still be entitled to enforce all of its rights otherwise available under this Agreement, excluding, for the avoidance of doubt, seeking an acceleration of amounts payable under this Agreement. For purposes of this Section 4.1(c), and subject to the following sentence, the Parties agree that the failure to make any payment due pursuant to this Agreement within sixty (60) days of the relevant Final Payment Date shall be deemed to be a material breach of a material obligation under this Agreement for all purposes of this Agreement, and that it will not be considered to be a material breach of a material obligation under this Agreement to make a payment due pursuant to this Agreement within sixty (60) days of the relevant Final Payment Date. Notwithstanding anything in this Agreement to the contrary, it shall not be a material breach of a material obligation of this Agreement if the Corporation or the LLC fails to make any Tax Benefit Payment within sixty (60) days of the relevant Final Payment Date to the extent that the Corporation or the LLC has insufficient funds or cannot make such payment as a result of obligations imposed in connection with the Senior Obligations or under applicable law, and cannot obtain sufficient funds to make such payments by taking commercially reasonable actions; *provided* that the interest provisions of Section 5.2 shall apply to such late payment (unless the Corporation does not have sufficient funds to make such payment as a result of limitations imposed by any Senior Obligations, in which case Section 5.2 shall apply, but the Default Rate shall be replaced by the Agreed Rate); and *further provided* that such payment obligation shall nonetheless accrue for the benefit of the Members or the LLC and the Corporation shall make such payment at the first opportunity that it has sufficient funds and is otherwise able to make such payment.

Section 4.2 Early Termination Notice. If the Corporation chooses to exercise its right of early termination under Section 4.1 above, the Corporation shall deliver to the LLC and the Members a notice of the Corporation's decision to exercise such right (an "Early Termination Notice") and a schedule (the "Early Termination Schedule") showing in reasonable detail the calculation of the Early Termination Payment. The Corporation shall also (x) deliver to the Members supporting schedules and work papers, as determined by the Corporation or as reasonably requested by a Member, that provide a reasonable level of detail regarding the data and calculations that were relevant for purposes of preparing the Early Termination Schedule; and (y) allow the Members and their advisors to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by a Member, at the Corporation in connection with a review of such Early Termination Schedule. The Early Termination Schedule shall become final and binding on each Party thirty (30) calendar days from the first date on which the Members received such Early Termination Schedule unless:

- (i) a Member within thirty (30) calendar days after receiving the Early Termination Schedule, provides the LLC and the Corporation with notice of a material objection to such Early Termination Schedule made in good faith and setting forth in reasonable detail the Member's material objection (a "Termination Objection Notice"); or
- (ii) each Member provides a written waiver of such right of a Termination Objection Notice within the period described in clause (i) above, in which case such Early Termination

Schedule becomes binding on the date the waiver from all Members is received by the LLC or the Corporation.

In the event that a Member timely delivers a Termination Objection Notice pursuant to clause (i) above, and if such Member, the LLC and the Corporation, for any reason, are unable to successfully resolve the issues raised in the Termination Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Termination Objection Notice, the Corporation and such Member shall employ the Reconciliation Procedures. The date on which the Early Termination Schedule becomes final in accordance with this Section 4.2 shall be the "Early Termination Reference Date." The Early Termination Schedule shall be amended consistent with the resolution of the issues set forth in the Termination Objection Notice with respect to any Member whose Early Termination Payments would be adjusted as a result of the application of such resolution to such other Member's Early Termination Payments.

Section 4.3 Payment Upon Early Termination.

(a) Timing of Payment. Within three (3) Business Days after the Early Termination Reference Date, the Corporation shall pay to the LLC and each Member an aggregate amount equal to the Early Termination Payment for such Member (for the avoidance of doubt, the sum of the payments made to a Member directly and to the LLC attributable to such Member shall not exceed the Early Termination Payment owed with respect to such Member, and LLC shall immediately pay any Early Termination Payment it receives pursuant to this Article IV to the Members); *provided*, that at the election of the LLC, the Corporation shall make the entire Early Termination Payment owed to a Member directly to such Member. Such Early Termination Payment shall be made by the Corporation by wire transfer of immediately available funds to a bank account or accounts designated by the Members, the LLC or as otherwise agreed by the Corporation, the LLC and the Members.

(b) Amount of Payment. The "Early Termination Payment" payable to a Member pursuant to Section 4.3(a) shall equal the present value, discounted at the Early Termination Rate as determined as of the Early Termination Reference Date, of all Tax Benefit Payments that would be required to be paid pursuant to this Agreement to such Member, whether payable with respect to Units that were Exchanged prior to the Early Termination Effective Date or on or after the Early Termination Effective Date, beginning from the Early Termination Effective Date and using the Valuation Assumptions.

**ARTICLE V.
SUBORDINATION AND LATE PAYMENTS**

Section 5.1 Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment or Early Termination Payment required to be made by the LLC to the Members, or by the Corporation to the LLC or the Members under this Agreement shall rank subordinate and junior in right of payment to any principal, interest, or other amounts due and payable in respect of any obligations owed in respect of secured or unsecured indebtedness for borrowed money of the Corporation and its Subsidiaries ("Senior Obligations") and shall rank *pari passu* in right of payment with all current or future unsecured obligations of the Corporation and its Subsidiaries that are not Senior Obligations. To the extent that any payment under this Agreement is not permitted to be made at the time payment is due as a result of this Section 5.1 and the terms of the agreements governing Senior Obligations, such payment obligation nevertheless shall accrue for the benefit of the Members (or the LLC, if applicable) and the Corporation or the LLC shall make such payments at the first opportunity that such payments are permitted to be made in accordance with the terms of the Senior Obligations.

Section 5.2 Late Payments by the Corporation. Except as otherwise provided in this Agreement, the amount of all or any portion of any Tax Benefit Payment or Early Termination Payment not made to the Members when due under the terms of this Agreement, whether as a result of Section 5.1 and the terms of the Senior Obligations or otherwise, shall be payable together with any interest thereon, computed at the Default Rate and commencing from the Final Payment Date on which such Tax Benefit Payment or Early Termination Payment was first due and payable to the date of actual payment.

**ARTICLE VI.
TAX MATTERS; CONSISTENCY; COOPERATION**

Section 6.1 Participation in the Corporation's and the LLC's Tax Matters. Except as otherwise provided herein, the Corporation shall have full responsibility for, and sole discretion over, all tax matters concerning the Corporation and the LLC, including without limitation the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to taxes. Notwithstanding the foregoing, the Corporation shall notify the Members with respect to, the portion of any tax audit of the Corporation or the LLC, or any of the LLC's Subsidiaries, but only to the extent the outcome of which is reasonably expected to materially and adversely affect the Tax Benefit Payments payable to such Members under this Agreement.

Section 6.2 Consistency. Except as otherwise required by law, all calculations and determinations made hereunder, including, without limitation, any Basis Adjustments, the Schedules and the determination of any Realized Tax Benefits or Realized Tax Detriments, shall be made in accordance with the elections, methodologies or positions taken by the Corporation and the LLC on their respective Tax Returns. Each Member shall prepare its Tax Returns in a manner that is consistent with the terms of this Agreement, and any related calculations or determinations that are made hereunder, including, without limitation, the terms of Section 2.1 of this Agreement and the Schedules provided to the Members under this Agreement.

Section 6.3 Cooperation.

(a) Each Member shall (i) furnish to the LLC or the Corporation in a timely manner such information, documents and other materials as the LLC or the Corporation may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (ii) make itself available to the LLC or the Corporation and its representatives to provide explanations of documents and materials and such other information as the LLC or the Corporation or its representatives may reasonably request in connection with any of the matters described in clause (i) above, and (iii) reasonably cooperate in connection with any such matter.

(b) The LLC or the Corporation, as applicable, shall reimburse the Members for any reasonable and documented out-of-pocket costs and expenses incurred pursuant to Section 6.3(a).

**ARTICLE VII.
MISCELLANEOUS**

Section 7.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by electronic mail (delivery receipt requested) or by certified or registered mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be as specified in a notice given in accordance with

this Section 7.1). All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to the LLC, to:

i3 Verticals, LLC
40 Burton Hills Boulevard, Suite 415
Nashville, Tennessee 37215
Attn: Paul Maple, General Counsel
E-mail: pmaple@i3verticals.com

with a copy (which shall not constitute notice to the LLC) to:

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201
Attn: J. Page Davidson and Jay H. Knight
E-mail: pdavidson@bassberry.com; jknight@bassberry.com

If to the Corporation, to:

i3 Verticals, Inc.
40 Burton Hills Boulevard, Suite 415
Nashville, Tennessee 37215
Attn: Paul Maple, General Counsel
E-mail: pmaple@i3verticals.com

with a copy (which shall not constitute notice to the Corporation) to:

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201
Attn: J. Page Davidson and Jay H. Knight
E-mail: pdavidson@bassberry.com; jknight@bassberry.com

Any Party may change its address or e-mail address by giving each of the other Parties written notice thereof in the manner set forth above.

Section 7.2 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.3 Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure

solely to the benefit of each Party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware, without regard to the conflicts of laws principles thereof that would mandate the application of the laws of another jurisdiction.

Section 7.5 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 7.6 Assignments; Amendments; Successors; No Waiver.

(a) Assignment. No Member may assign, sell, pledge, or otherwise alienate or transfer any interest in this Agreement, including the right to receive any Tax Benefit Payments under this Agreement, to any Person (other than a Permitted Transferee) without (i) the prior written consent of the LLC and the Corporation (such consent not to be unreasonably withheld, conditioned or delayed) and (ii) such Person (including a Permitted Transferee) executing and delivering a Joinder agreeing to succeed to the applicable portion of such Member's interest in this Agreement and to become a Party for all purposes of this Agreement (the "Joinder Requirement"). For the avoidance of doubt, if a Member transfers Units in accordance with the terms of the LLC Agreement but does not assign to the transferee of such Units its rights under this Agreement with respect to such transferred Units, such Member shall continue to be entitled to receive the Tax Benefit Payments arising in respect of a subsequent Exchange of such Units (and any such transferred Units shall be separately identified, so as to facilitate the determination of Tax Benefit Payments hereunder). Neither the Corporation nor the LLC may assign any of its rights or obligations under this Agreement to any Person (other than any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation) without Supermajority Member Approval (and any purported assignment without such consent shall be null and void); provided, that in the event the Corporation acquires any Exchanged Units from a Member pursuant to a Direct Exchange or Purchase, any obligations of the LLC to the Exchanging Member pursuant to this Agreement with respect to both the Exchanged Units and any other Units retained by such Member shall be deemed fully assigned to the Corporation at the time of the Purchase or Direct Exchange and the LLC shall have no further liability under this Agreement to such Member with respect thereto.

(b) Amendments. No provision of this Agreement may be amended unless such amendment is approved in writing by each of the Corporation, the LLC and the Members who would be entitled to receive more than fifty percent (50%) of the aggregate amount of the Early Termination Payments payable to all Members hereunder if the Corporation had exercised its right of early termination on the date of the most recent Exchange prior to such amendment (excluding, for purposes of this sentence, all payments made to any Member pursuant to this Agreement since the date of such most recent Exchange); provided, however, that no such amendment shall be effective if such amendment would have a disproportionate effect on the payments certain Members will or may receive under this Agreement unless

all such disproportionately affected Members consent in writing to such amendment. No provision of this Agreement may be waived unless such waiver is in writing and signed by the party against whom the waiver is to be effective.

(c) Successors. Except as provided in Section 7.6(a), all of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation and the LLC shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such Party, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that such Party would be required to perform if no such succession had taken place.

(d) Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, duty, agreement, or condition.

Section 7.7 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.8 Resolution of Disputes.

(a) Except for Reconciliation Disputes subject to Section 7.9, any and all disputes which cannot be settled amicably, including any ancillary claims of any Party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) (each a "Dispute") shall be finally resolved by confidential arbitration in accordance with the International Institute for Conflict Prevention and Resolution Rules for Non-administered Arbitration (the "Rules") by three arbitrators, of which the Corporation (or the LLC, if the dispute is with the LLC, and all references to the Corporation in this Section 7.8 shall include the LLC in the case of such a dispute) shall appoint one arbitrator and the Members party to such Dispute shall appoint one arbitrator in accordance with the "screened" appointment procedure provided in Rule 5.4. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.*, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Nashville, Tennessee.

(b) Notwithstanding the provisions of paragraph (a), any Party may bring an action or special proceeding in any court of competent jurisdiction for the purpose of compelling another Party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Party (i) expressly consents to the application of paragraph (c) of this Section 7.8 to any such action or proceeding, and (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate. For the avoidance of doubt, this Section 7.8 shall not apply to Reconciliation Disputes to be settled in accordance with the procedures set forth in Section 7.9.

(c) Each Party irrevocably consents to service of process by means of notice in the manner provided for in Section 7.1. Nothing in this Agreement shall affect the right of any Party to serve process in any other manner permitted by law.

(d) WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY 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 HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

(e) In the event the parties are unable to agree whether a dispute between them is a Reconciliation Dispute subject to the dispute resolution procedure set forth in Section 7.9 or a Dispute subject to the dispute resolution procedure set forth in this Section 7.8, such disagreement shall be decided and resolved in accordance with the procedure set forth in this Section 7.8.

Section 7.9 Reconciliation. In the event that the Corporation (or the LLC, if the disagreement is with the LLC alone or in conjunction with the Corporation, in which case all references to the Corporation in this Section 7.8 shall include the LLC with respect to such a dispute) and any Member are unable to resolve a disagreement with respect to a Schedule (other than an Early Termination Schedule) prepared in accordance with the procedures set forth in Section 2.4, or with respect to an Early Termination Schedule prepared in accordance with the procedures set forth in Section 4.2, within the relevant time period designated in this Agreement (a "Reconciliation Dispute"), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert (the "Expert") in the particular area of disagreement mutually acceptable to both parties. The Expert shall be a partner or principal in a nationally recognized accounting firm, and unless the Corporation and such Member agree otherwise, the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with the Corporation or such Member or other actual or potential conflict of interest. The Expert shall resolve any matter relating to the Basis Schedule or an amendment thereto or the Early Termination Schedule or an amendment thereto within thirty (30) calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within fifteen (15) calendar days or as soon thereafter as is reasonably practicable, in each case after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement would be due (in the absence of such disagreement) or any Tax Return reflecting the subject of a disagreement is due, the undisputed amount shall be paid on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Corporation, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such Expert (including any professional fees charged by such Expert) or amending any Tax Return shall be borne by the Corporation except as provided in the next sentence. The Corporation and the Members shall bear their own costs and expenses of such proceeding, unless (i) the Expert adopts the Member's position, in which case the Corporation shall reimburse the Member for any reasonable and documented out-of-pocket costs and expenses in such proceeding (including for the avoidance of doubt any costs and expenses incurred by the Member relating to the engagement of the Expert or amending any applicable Tax Return), or (ii) the Expert adopts the Corporation's position, in which case the Member shall reimburse the Corporation for any reasonable and documented out-of-pocket costs and expenses in such proceeding (including for the avoidance of doubt costs and expenses incurred by the Corporation relating to the engagement of the Expert or amending any applicable Tax Return). The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.9 shall be final, binding and non-appealable on the Corporation and the Members and may be entered and enforced in any court having competent jurisdiction.

Section 7.10 Withholding. The Corporation and its Affiliates and representatives shall be entitled to deduct and withhold from any payment that is payable to any Member pursuant to this

Agreement such amounts as the Corporation or such Affiliate is required to deduct and withhold with respect to the making of such payment under the Code or any provision of U.S. state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid by the Corporation or its Affiliate to the relevant Member. Each Member shall promptly provide the Corporation or its Affiliate with any applicable tax forms and certifications reasonably requested by the Corporation or the Affiliate in connection with determining whether any such deductions and withholdings are required under the Code or any provision of U.S. state, local or foreign tax law.

Section 7.11 Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets.

(a) If the Corporation is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income Tax Return pursuant to Section 1501 or other applicable Sections of the Code governing affiliated or consolidated groups, or any corresponding provisions of U.S. state or local law, then: (i) the provisions of this Agreement shall be applied with respect to the group as a whole; and (ii) Tax Benefit Payments, Early Termination Payments, and other applicable items hereunder shall be computed with reference to the consolidated taxable income of the group as a whole.

(b) If the Corporation, its successor in interest or any member of a group described in Section 7.11(a) transfers one or more assets to a corporation (or a Person classified as a corporation for U.S. income tax purposes) with which such entity does not file a consolidated Tax Return pursuant to Section 1501 of the Code, such entity, for purposes of calculating the amount of any Tax Benefit Payment or Early Termination Payment due hereunder, shall be treated as having disposed of such asset in a fully taxable transaction on the date of such transfer. The consideration deemed to be received by such entity shall be equal to the fair market value of the contributed asset by the Corporation in good faith or, if requested by an Exchanging Member, a valuation expert selected by the Corporation. For purposes of this Section 7.11, a transfer of a partnership interest shall be treated as a transfer of the transferring partner's share of each of the assets and liabilities of that partnership. Notwithstanding anything to the contrary set forth herein, if the Corporation, its successor in interest or any member of a group described in Section 7.11(a), transfers its assets pursuant to a transaction that qualifies as a "reorganization" (within the meaning of Section 368(a) of the Code) in which such entity does not survive or pursuant to any other transaction to which Section 381(a) of the Code applies (other than any such reorganization or any such other transaction, in each case, pursuant to which such entity transfers assets to a corporation with which the Corporation, its successor in interest or any member of the group described in Section 7.11(a) (other than any such member being transferred in such reorganization or other transaction) does not file a consolidated Tax Return pursuant to Section 1501 of the Code), the transfer will not cause such entity to be treated as having transferred any assets to a corporation (or a Person classified as a corporation for U.S. income tax purposes) pursuant to this Section 7.11(b).

Section 7.12 Confidentiality. Each Member and its assignees acknowledges and agrees that the information of the Corporation and its Affiliates is confidential and, except in the course of performing any duties as necessary for the Corporation and its Affiliates, as required by law or legal process or to enforce the terms of this Agreement, such Person shall keep and retain in the strictest confidence and not disclose to any Person any confidential matters, acquired pursuant to this Agreement, of the Corporation and its Affiliates and successors, learned by any Member heretofore or hereafter. This Section 7.12 shall not apply to (i) any information that has been made publicly available by the Corporation or any of its Affiliates, becomes public knowledge (except as a result of an act of any Member in violation of this Agreement) or is generally known to the business community, (ii) the disclosure of information to the

extent necessary for a Member to prosecute or defend claims arising under or relating to this Agreement, and (iii) the disclosure of information to the extent necessary for a Member to prepare and file its Tax Returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any Taxing Authority with respect to such Tax Returns. If a Member or an assignee commits a breach, or threatens to commit a breach, of any of the provisions of this Section 7.12, the Corporation shall have the right and remedy to have the provisions of this Section 7.12 specifically enforced by injunctive relief or otherwise by any court of competent jurisdiction without the need to post any bond or other security, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Corporation or any of its Subsidiaries and that money damages alone shall not provide an adequate remedy to such Persons. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

Section 7.13 Change in Law. Notwithstanding anything herein to the contrary, if, as a result of or, in connection with an actual or proposed change in law, a Member reasonably believes that the existence of this Agreement could cause income (other than income arising from receipt of a payment under this Agreement) recognized by such Member (or direct or indirect equity holders in such Member) in connection with any Exchange to be treated as ordinary income rather than capital gain (or otherwise taxed at ordinary income rates) for U.S. federal income tax purposes or would have other material adverse tax consequences to such Member or any direct or indirect owner of such Member, then at the written election of such Member in its sole discretion (in an instrument signed by such Member and delivered to the LLC and the Corporation) and to the extent specified therein by such Member, this Agreement shall cease to have further effect and shall not apply to an Exchange with respect to such Member occurring after a date specified by such Member, or may be amended by in a manner reasonably determined by such Member, provided that such amendment shall not result in an increase in any payments owed by the Corporation or the LLC under this Agreement at any time as compared to the amounts and times of payments that would have been due in the absence of such amendment.

Section 7.14 Interest Rate Limitation. Notwithstanding anything to the contrary contained herein, the interest paid or agreed to be paid hereunder with respect to amounts due to any Member hereunder shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If any Member shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the Tax Benefit Payment or Early Termination Payment, as applicable (but in each case exclusive of any component thereof comprising interest) or, if it exceeds such unpaid non-interest amount, refunded to the Corporation. In determining whether the interest contracted for, charged, or received by any Member exceeds the Maximum Rate, such Member may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the payment obligations owed by the Corporation to such Member hereunder. Notwithstanding the foregoing, it is the intention of the Parties to conform strictly to any applicable usury laws.

Section 7.15 Independent Nature of Rights and Obligations. The rights and obligations of each Member hereunder are several and not joint with the rights and obligations of any other Person. A Member shall not be responsible in any way for the performance of the obligations of any other Person hereunder, nor shall a Member have the right to enforce the rights or obligations of any other Person hereunder (other than the Corporation). Except as otherwise provided by Section 7.6(a), the obligations of a Member hereunder are solely for the benefit of, and shall be enforceable solely by, the LLC and the Corporation. Nothing contained herein or in any other agreement or document delivered at any closing,

and no action taken by any Member pursuant hereto or thereto, shall be deemed to constitute the Members acting as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Members are in any way acting in concert or as a group with respect to such rights or obligations or the transactions contemplated hereby, and the Corporation acknowledges that the Members are not acting in concert or as a group and will not assert any such claim with respect to such rights or obligations or the transactions contemplated hereby.

Section 7.16 LLC Agreement. This Agreement shall be treated as part of the LLC Agreement as described in Section 761(c) of the Code and Sections 1.704-1(b)(2)(ii)(h) and 1.761-1(c) of the Treasury Regulations.

Section 7.17 Rules of Construction. Unless otherwise specified herein:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) For purposes of interpretation of this Agreement:

(i) The words “herein,” “hereto,” “hereof” 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 thereof.

(ii) References in this Agreement to a Schedule, Article, Section, clause or sub-clause refer to the appropriate Schedule to, or Article, Section, clause or subclause in, this Agreement.

(iii) References in this Agreement to dollars or “\$” refer to the lawful currency of the United States of America.

(iv) The term “including” is by way of example and not limitation.

(v) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(d) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Unless otherwise expressly provided herein, (i) references to organization documents (including the LLC Agreement), agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted hereby; and (ii) references to any law (including the Code and the Treasury Regulations) shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law.

[Signature Page Follows This Page]

CORPORATION:

i3 VERTICALS, INC.

By: _____
Name: _____
Title: _____

THE LLC:

i3 VERTICALS, LLC.

By: _____
Name: _____
Title: _____

MEMBERS:

[_____]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MANAGEMENT REPRESENTATIVE:

Name: _____

Exhibit A

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of _____, 20__ (this "Joinder"), is delivered pursuant to that certain Tax Receivable Agreement, dated as of [.] (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Tax Receivable Agreement") by and among i3 Verticals, Inc., a Delaware corporation (the "Corporation"), i3 Verticals, LLC, a Delaware limited liability company ("the LLC"), and each of the Members from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Tax Receivable Agreement.

1. Joinder to the Tax Receivable Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to the Corporation, the undersigned hereby is and hereafter will be a Member under the Tax Receivable Agreement and a Party thereto, with all the rights, privileges and responsibilities of a Member thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the Tax Receivable Agreement as if it had been a signatory thereto as of the date thereof.
2. Incorporation by Reference. All terms and conditions of the Tax Receivable Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.
3. Address. All notices under the Tax Receivable Agreement to the undersigned shall be direct to:
 [Name]
 [Address]
 [City, State, Zip Code]
 Attn:
 E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

[NAME OF NEW PARTY]

By: _____
Name: _____
Title: _____

Acknowledged and agreed
as of the date first set forth above:

i3 VERTICALS, INC.

By: _____
Name: _____
Title: _____

i3 VERTICALS, LLC

By: _____
Name: _____
Title: _____

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”) is made as of [•], 2018 by and among i3 Verticals, Inc., a Delaware corporation (the “Corporation”), and each Person that holds Common Units (defined below) that has signed this Agreement (such Persons, collectively, the “Members”).

RECITALS

WHEREAS, the Corporation is contemplating an offer and sale of its shares of Class A common stock, par value \$0.0001 per share (the “Class A Common Stock”), to the public in an underwritten initial public offering (the “IPO”);

WHEREAS, the Corporation desires to use a portion of the net proceeds from the IPO to purchase Common Units (as defined below) of i3 Verticals, LLC, a Delaware limited liability company (the “Company”), and the Company desires to issue its Common Units to the Corporation in exchange for such portion of the net proceeds from the IPO;

WHEREAS, immediately prior to the consummation of the issuance of Common Units by the Company to the Corporation in connection with the IPO, the Members, together with certain other members of the Company and the Corporation, are the sole members of the Company;

WHEREAS, immediately prior to or simultaneous with the purchase by the Corporation of the Common Units in connection with the IPO, the Corporation, the Company and the Members will enter into that certain Fourth Amended and Restated Limited Liability Company Agreement of the Company, which will be further amended immediately prior to the IPO in connection with a plan of reorganization (“Plan of Reorganization”) by and among the Company, the Corporation and i3 Merger Sub, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Corporation (such agreement, as it may be amended, restated, supplemented or otherwise modified from time to time, the “LLC Agreement”);

WHEREAS, in connection with the Plan of Reorganization and the IPO, (i) the Corporation will become the sole managing member of the Company, (ii) each Member will become a non-managing member of the Company but retain their ownership interest in the Company in the form of Common Units, and (iii) in consideration of the Corporation acquiring the Common Units and becoming the manager of the Company, among other things, the Company has provided the members of the Company with a redemption right pursuant to which the Members may be able to require redemption of their Common Units and the Corporation may, at the Corporation’s option, redeem or exchange their Common Units for Class A Common Stock or in cash on the terms set forth in the LLC Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

“Agreement” has the meaning set forth in the preamble.

“Business Day” means any day other than a Saturday or a Sunday or a day on which banks located in New York City, New York generally are authorized or required by law to close.

“Class A Common Stock” has the meaning set forth in the recitals.

“Common Units” has the meaning set forth in the recitals.

“Company” has the meaning set forth in the recitals.

“Corporation” has the meaning set forth in the preamble.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

“FAP” shall mean collectively First Avenue Partners II, L.P., First Avenue – ETC Partners, L.P., and Front Street Equities, LLC.

“Holder” shall mean any Member holding Registrable Securities and any Person holding Registrable Securities to whom the rights under this Agreement have been transferred in accordance with Section 1.11 below.

“Initiating Holders” shall mean any Holder or Holders of at least forty percent (40%) of the Preferred Units of the Company as of immediately prior to the effectiveness of that certain Fourth Amended and Restated Limited Liability Company Agreement of the Company pursuant to the Plan of Reorganization.

“IPO” has the meaning set forth in the recitals.

“LLC Agreement” has the meaning set forth in the recitals.

“Permitted Transferee” means “Permitted Transferee” as defined in the LLC Agreement.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Preferred Units” means the Company’s Class A Units as defined in the Company’s Third Amended and Restated Limited Liability Company Agreement as in effective immediately prior to the Plan of Reorganization.

“Registrable Securities” shall mean (i) Class A Common Stock (A) issued by the Corporation in a Share Settlement in connection with (x) the redemption by the Company of Common Units owned by any Member or (y) at the election of the Company, in a direct exchange for Common Units owned by any Member, in each case in accordance with the terms of the LLC Agreement, (B) otherwise held by FAP from time to time, or (ii) equity issued in respect of the Class A Common Stock referred to in (i) as a result of a split, dividend, recapitalization or the like, and in the case of (i) and (ii) Class A Common Stock which has not been sold to the public or pursuant to Rule 144 under the Securities Act and excluding in all cases, however, any Registrable Securities transferred by any Person in a transaction in which the rights under Section 1.11 below are not assigned in accordance with the LLC Agreement and Section 1.11 of this Agreement.

The terms “register,” “registered” and “registration” refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

“Registration Expenses” shall mean all expenses, except as included in Selling Expenses or as otherwise stated below, incurred by the Corporation in complying with Section 1.2, Section 1.3 and Section 1.4 including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Corporation, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Corporation which shall be paid in any event by the Corporation) and the reasonable fees and disbursements of one special counsel for all Holders in the event of each registration provided for in Section 1.2, Section 1.3 and Section 1.4.

“Securities Act” means the U.S. Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

“Selling Expenses” shall mean all underwriting discounts, selling commissions and transfer taxes applicable to the securities registered by the Holders.

“Share Settlement” means “Share Settlement” as defined in the LLC Agreement.

Section 1.2 Requested Registration.

(a) Request for Registration. Subject to the provisions of Section 1.2(b) below, if at any time after six (6) months after the effective date of the first registration statement for a public offering of securities of the Corporation, the Corporation shall receive from Initiating Holders a written request that the Corporation effect any registration with respect to any of their Registrable Securities in which the anticipated aggregate price to the public is at least \$15,000,000 the Corporation will:

- (i) Within ten (10) days after the date such report is given, give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, effect such registration (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Corporation within twenty (20) days after receipt of such written notice from the Corporation; provided, however, that the Corporation shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to this Section 1.2:

(A) Within ninety (90) days of the effective date of any registration statement pertaining to securities of the Corporation (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan), provided that the Corporation is actively employing in good faith all reasonable efforts to cause such registration statement to become effective;

(B) After the Corporation has effected two (2) such registrations pursuant to this Section 1.2, and such registrations have been declared effective under the Securities Act; provided, however, that a registration pursuant to this Section 1.2 shall not be considered a registration for purposes of this Section 1.2, (i) unless and until such registration shall have become effective and (x) in the case of a registration on Form S-1 (or any successor form), until 180 days after the effective date thereof, and (y) in the case of a registration on Form S-3, until all Registrable Securities included in such registration shall have been actually sold, (ii) if the Holders withdraw their request at any time because such Holders (A) reasonably believed that the registration statement contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein (in light of the circumstances under which they were made) not misleading, (B) notified the Corporation of such fact and requested that the Corporation correct such alleged misstatement or omission, and (C) the Corporation has refused to correct such alleged misstatement or omission, or (iii) at least 50% of the Registrable Securities requested to be registered by the Holders are not included in a registration pursuant to this Section 1.2; or

(C) If the Corporation shall furnish to such Initiating Holders a certificate, signed by the President and Chief Executive Officer of the Corporation, stating that in the good faith judgment of the Corporation's Board of Directors it would be materially detrimental to the Corporation and its owners for a registration statement to be filed in the near future because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar significant transaction involving the Corporation, (ii) require premature disclosure of material information that the Corporation has a bona fide business purpose for preserving as confidential, or (iii) render the Corporation unable to comply with requirements under the Securities Act or Exchange Act, then in each such case the Corporation's obligation to register, qualify or comply under this Section 1.2 shall be deferred for a period not to exceed ninety (90) days from

the date of receipt of the written request from the Initiating Holders; provided, however, that the Corporation may not utilize this right more than once in any twelve (12) month period.

Subject to the foregoing clauses (A) through (C), the Corporation shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders.

(b) Underwriting. In the event that a registration pursuant to this Section 1.2 is for a registered public offering involving an underwriting, the Corporation shall so advise the Holders as part of the notice given pursuant to Section 1.2(a)(i). In such event, the right of any Holder to participate in such registration shall be conditioned upon such Holder's participation in the underwriting arrangements required by this Section 1.2(b), and the inclusion of such Holder's Registrable Securities in the underwriting to the extent requested shall be limited to the extent provided herein.

The Corporation shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter approved by the Corporation's Board of Directors. Notwithstanding any other provision of this Section 1.2, if the managing underwriter determines, and provides written notice, that marketing factors require limitation of the number of shares to be underwritten, the managing underwriter may limit the Registrable Securities to be included in such registration. The Corporation shall so advise all Holders distributing their securities through such underwriting and the number of shares of securities that may be included in the registration and underwriting (other than on behalf of the Corporation) shall be allocated among all Holders in proportion, as nearly as practicable, to the respective amounts of Registrable Securities owned by such Holders or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Corporation or the managing underwriter may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

Section 1.3 Corporation Registration.

(a) Notice of Registration. If at any time or from time to time the Corporation shall determine to register any of its securities, either for its own account or the account of a security holder or holders, other than (i) the initial public offering of such securities, unless consented to by the Corporation's Board of Directors, (ii) a registration relating solely to employee benefit plans, (iii) a registration relating solely to a SEC Rule 145 transaction, (iv) a registration on any registration form that does not permit secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities or (v) a registration undertaken in connection with a reorganization of the Corporation, the Corporation will:

- (i) promptly give to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance requirements), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made within twenty (20) days after receipt of such written notice from the Corporation, by any Holder.

(b) Underwriting. If the registration of which the Corporation gives notice is for a registered public offering involving an underwriting, the Corporation shall so advise the Holders as a part of the written notice given pursuant to Section 1.3(a) above. In such event, the right of any Holder to participate in such registration shall be conditioned upon such Holder's participation in such underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Corporation and any other holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Corporation and approved by the Corporation's Board of Directors. Notwithstanding any other provision of this Section 1.3, if the managing underwriter determines, and provides written notice, that marketing factors require limitation of the number of shares to be underwritten, the managing underwriter may limit the Registrable Securities to be included in such registration. The Corporation shall so advise all Holders and other holders distributing their securities through such underwriting and the number of shares of securities that may be included in the registration and underwriting (other than on behalf of the Corporation) shall be allocated among all Holders and such other holders (provided that such other holders have contractual rights to participate in such registration which are not subordinate to the Holders) in proportion, as nearly as practicable, to the respective amounts of Registrable Securities or other securities owned by such Holders and such other holders, or in such other proportion as shall mutually be agreed to by the selling Holders only; provided, however, that the number of Registrable Securities to be included in such underwriting shall not be reduced unless all other securities (other than securities to be sold by the Corporation) are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Corporation may round the number of shares allocated to any Holder or holder to the nearest one hundred (100) shares.

Section 1.4 Registration on Form S-3.

(a) If Holders of at least twenty-five percent (25%) of the Registrable Securities request that the Corporation file a registration statement on Form S-3 (or any successor form to Form S-3) for a public offering of (i) the Registrable Securities, and (ii) any securities of the Corporation other than Registrable Securities to be sold by shareholders in such public offering, the anticipated aggregate price to the public of (i) and (ii) is at least \$15,000,000, and the Corporation is a registrant entitled to use Form S-3 to register the Registrable Securities for such an offering, the Corporation shall, as soon as practicable and in any event within forty-five (45) days after the date such request is given by the Holders, cause such Registrable Securities to be registered for the offering on such form and to cause such Registrable Securities to be qualified in such jurisdictions as the Holders may reasonably request. The substantive provisions of Section 1.2(b) shall be applicable to each registration initiated under this Section 1.4.

(b) Notwithstanding the foregoing, the Corporation shall not be obligated to take any action pursuant to this Section 1.4 (i) if the Holders of the Registrable Securities request that the Corporation file more than two registration statements on Form S-3 during any twelve-month period, and (ii) if the Corporation shall furnish to such Holders a certificate, signed by the President and Chief Executive Officer of the Corporation, stating that in the good faith judgment of the Corporation's Board of Directors it would be materially detrimental to the Corporation and its owners for a registration statement to be filed in the near future because such action would (x) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Corporation, (y) require premature disclosure of material information that the Corporation has a bona fide business purpose for preserving as confidential, or (z) render the Corporation unable to comply with requirements under the Securities Act or Exchange Act, in each such case the Corporation's obligation to register, qualify or comply under this Section 1.4 shall be deferred for a period not to exceed ninety (90) days from the date of receipt of the written request from the Holder or Holders; provided, however, that the Corporation may not utilize this right more than once in any twelve (12) month period.

Section 1.5 Limitation on Subsequent Registration Rights. From and after the date hereof, without the written approval of the Holders of a majority of the Registrable Securities, the Corporation shall not enter into any agreement granting any holder or prospective holder of any securities of the Corporation registration rights equal to or superior to those of the Holders. Nothing in this Section 1.5 shall be deemed to restrict the Corporation's right to grant registration rights to other purchasers of the Corporation's securities that are inferior to, and in no way interfere with, those registration rights granted to the Holders.

Section 1.6 Expenses of Registration. Except as otherwise provided herein, all Registration Expenses incurred in connection with all registrations pursuant to Section 1.2, Section 1.3 and Section 1.4 shall be borne by the Corporation. Unless otherwise stated, all Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the Holders of such securities pro rata on the basis of the number of Registrable Securities registered on their behalf.

Section 1.7 Registration Procedures. In the case of each registration, qualification or compliance effected by the Corporation pursuant to this Agreement, the Corporation will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Corporation shall:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for the earlier of one hundred eighty (180) days or until the distribution described in the registration statement has been completed; provided, however, that (i) such 180-day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of securities of the Corporation; and (ii) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such 180-day period shall be extended, if necessary, to keep the registration statement effective until all

such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which (A) includes any prospectus required by Section 10(a)(3) of the Securities Act or (B) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (A) and (B) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(c) Furnish to the Holders, as expeditiously as reasonable, such numbers of copies of the registration statement, each amendment and supplement thereto, the prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders; provided that the Corporation shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Corporation is already subject to service in such jurisdiction and except as may be required by the Securities Act.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement and any other agreements, in usual and customary form, with the underwriters of such offering and take all such actions requested to expedite or facilitate the disposition of shares. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder covered by such registration statement at any time when (1) a prospectus relating thereto is required to be delivered under the Securities Act of 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 a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, (2) when the registration statement, the prospectus or any prospectus supplement or post-effective amendment has been filed, and with respect to the registration statement or any post-effective amendment, when the same has become effective, and (3) the Corporation receives any material comments from the SEC with respect to a registration statement or any request by the SEC for amendments or supplements to the registration statement or the prospectus or for additional information.

(g) Cause all such Registrable Securities to be listed, prior to the date of the first sale of such Registrable Securities pursuant to such registration, on each securities exchange or national market system on which similar securities issued by the Corporation are then listed and, if not so listed, to be listed on a securities exchange or national market system.

(h) Provide a transfer agent and registrar for all such Registrable Securities and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration statement.

(i) Promptly make available for inspection on a confidential basis by any participating Holder, any underwriter participating in any disposition pursuant to such registration statement, and the counsel, accountant or other agent retained by any such underwriter or selected by the participating Holders (whose expenses are being paid pursuant to Section 1.6 hereof), all financial and other records, pertinent corporate documents and properties of the Corporation, and cause the Corporation's officers, directors, employees, independent accountants and other advisors to supply on a confidential basis all information reasonably requested by any such participating Holder, underwriter or attorney in connection with such registration statement.

(j) Permit any participating Holder that, in its reasonable judgment, might be deemed to be an underwriter or a controlling Person of the Corporation within the meaning of Section 15 of the Securities Act, to participate in the preparation of such registration or comparable statement and to permit the insertion therein of material, furnished to the Corporation in writing, which in the reasonable judgment of such participating Holder and its counsel should be included, provided that such material shall be furnished under such circumstances as shall cause it to be subject to the indemnification provisions provided pursuant to Section 1.8 hereof.

(k) In the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction, the Corporation will use its best efforts promptly to obtain the withdrawal of such order.

(l) Cooperate with the participating Holders and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing Registrable Securities to be sold under such registration, and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or such participating Holders may request.

(m) Furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Agreement, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Agreement, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing the Corporation for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of

Registrable Securities, and (ii) a letter, dated such date, from the independent certified public accountants of the Corporation, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

(n) Otherwise comply with all applicable rules and regulations of the SEC, and make generally available to its security holders (as contemplated by Section 11(a) under the Securities Act) an earnings statement satisfying the provisions of Rule 158 under the Securities Act as soon as reasonably practicable after the end of the twelve month period beginning with the first month of the Corporation's first fiscal quarter commencing after the effective date of the registration statement, which statement shall cover said twelve month period.

Section 1.8 Indemnification.

(a) To the extent permitted by law, the Corporation will indemnify and hold harmless each Holder, each of its officers, directors, members, shareholders and partners, and each Person controlling such Person within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification or compliance has been effected pursuant to this Agreement, and each underwriter, if any, and each Person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation (or alleged violation) by the Corporation of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law applicable to the Corporation in connection with any such registration, qualification or compliance, and the Corporation will reimburse each such Holder, each of its officers, directors, members, shareholders and partners, and each Person controlling such Person, each such underwriter and each Person who controls any such underwriter, as incurred, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 1.8(a) shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Corporation (which consent shall not be unreasonably withheld), nor shall the Corporation be liable to any such Holder in any such case to the extent that any such claim, loss, damage, liability or action arises out of or is based on (i) any untrue statement or omission (or alleged untrue statement or omission) made in reliance upon and in conformity with written information furnished to the Corporation or any underwriter by such Holder, underwriter, controlling Person or other aforementioned Person and stated to be specifically for use therein or the preparation thereby or (ii) use or delivery by such Holder or controlling Person of such Holder of a prospectus other than the most current prospectus made available to such Holder or controlling Person of such Holder by the Corporation.

(b) To the extent permitted by law, each Holder, severally and not jointly, will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Corporation, each of its directors and officers, each underwriter, if any, of the Corporation's securities covered by such a registration statement, each Person who controls the Corporation or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of its officers, directors, members, shareholders and partners and each Person controlling such other Holder within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages and liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) use or delivery by such Holder of a prospectus other than the most current prospectus made available to such Holder by the Corporation, and will reimburse the Corporation, such Holder, each of its directors, officers, partners, and each Person controlling such Holder or the Corporation, each such underwriter and each Person who controls any such underwriter for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, in the case of clause (i) above to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, other document, amendment or supplement in reliance upon and in conformity with written information furnished to the Corporation by such Holder and stated to be specifically for use therein or the preparation thereby; provided, however, that indemnity agreement contained in this Section 1.8(b) shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), nor shall the Holders be liable to the Corporation in any such case to the extent that any such claim, loss, damage, liability or action arises out of or is based on (i) any untrue statement or omission (or alleged untrue statement or omission), made in reliance upon and in conformity with written information furnished to the Holders by the Corporation, any of its officers, directors and partners, controlling Person of the Corporation, underwriter or controlling Person of such underwriter and stated to be specifically for use therein or the preparation thereby or (ii) use or delivery by the Corporation, controlling Person or underwriter of a prospectus other than the most current prospectus. Notwithstanding anything to the contrary contained in this subsection (b), the liability of each Holder under this subsection (b) shall be limited to an amount equal to the aggregate net proceeds received by such Holder from the shares sold by such Holder in the offering in question, unless such liability arises out of, or is based on willful misconduct by, such Holder.

(c) Each party entitled to indemnification under this Section 1.8 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified

Party (whose approval shall not be withheld unreasonably), and the Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnified Party shall have the right to retain its own counsel, with fees and expenses to be paid by the Indemnifying Party, if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would not be appropriate due to actual or potential differing interests between such Indemnified Party and any other party represented by such counsel in such proceeding; provided, further, that the failure of any Indemnified Party to give notice as provided herein shall relieve the Indemnifying Party of its obligations under this Section 1.8 to the extent (but only to the extent) that the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action; and provided, further, that the Indemnifying Party shall not assume the defense for matters as to which there is a conflict of interest or material separate and different defenses. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in this Section 1.8 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case, (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 1.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 1.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct by such Holder.

(e) The obligations of the Corporation and Holders under this Section 1.8 shall survive the completion of any offering of Registrable Securities pursuant to a registration statement under this Agreement, and otherwise shall survive termination of this Agreement.

Section 1.9 Information by Holder. The Holders of securities included in any registration shall furnish to the Corporation such information regarding such Holders, the Registrable Securities

held by them and the distribution proposed by such Holders as the Corporation may reasonably request in writing and only as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

Section 1.10 Rule 144 Reporting. With a view to making available the benefits of SEC Rule 144 and any other rules and regulations of the SEC which may at any time permit the sale of the Registrable Securities to the public without registration, after such time as a public market exists for the securities of the Corporation, or pursuant to a registration on Form S-3, the Corporation agrees to use its best efforts to:

(a) Make and keep available adequate current public information, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date that the Corporation becomes subject to the reporting requirements of the Securities Act or the Exchange Act;

(b) File with the SEC in a timely manner all reports and other documents required of the Corporation under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) Take such action, including the voluntary registration of its common stock under Section 12 of the Exchange Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement filed by the Corporation for the offering of its securities to the general public is declared effective;

(d) So long as a Holder owns any Registrable Securities, furnish to the Holder forthwith upon request (i) to the extent accurate, a written statement by the Corporation as to its compliance with the reporting requirements of said Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Corporation for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Corporation so qualifies), (ii) a copy of the most recent annual or quarterly report of the Corporation, and (iii) such other reports and documents of the Corporation and other information in the possession of or reasonably obtainable by the Corporation as the Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing the Holder to sell any such securities without registration (or any time after the Corporation has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Corporation so qualifies to use such form).

Section 1.11 Transfer of Registration Rights. Subject to compliance with the transfer restrictions set forth in the LLC Agreement, the rights to cause the Corporation to register securities granted to the Holders under Section 1.2, Section 1.3 and Section 1.4 may be assigned to a Permitted Transferee or any other transferee or assignee reasonably acceptable to the Corporation in connection with any transfer or assignment of Registrable Securities by the Holder provided that the transferor provides the Corporation with written notice of the proposed transfer, and the transferee agrees in writing to be bound by the provisions of this Agreement.

Section 1.12 Termination. No Holder shall be entitled to exercise any right provided for in this Agreement after the earlier of (i) the date that all of the Registrable Securities requested to be registered by such Holder could be sold in any ninety (90) day period pursuant to Rule 144, or (ii) as to any Holder, all of the Registrable Securities held by such Holder have been sold pursuant to registration under the Securities Act or an exemption therefrom.

Section 1.13 Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended, modified, terminated or waived only with the prior written consent of the Corporation and Holders holding a majority of the Registrable Securities. The failure or delay of any Person to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A consent to, or waiver of, any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement shall not be deemed to be a consent to, or waiver of, any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement.

Section 1.14 Remedies. The parties to this Agreement shall be entitled to enforce their rights under this Agreement specifically (without posting a bond or other security), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy for any such breach and that, in addition to any other rights and remedies existing hereunder, any party shall be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

Section 1.15 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect under any applicable law or regulation in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

Section 1.16 Entire Agreement. Except as otherwise provided herein, this Agreement contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

Section 1.17 Successors and Assigns. This Agreement shall bind and inure to the benefit and be enforceable by the Corporation and its successors and assigns and the Holders and their respective successors and assigns (whether so expressed or not). In addition, whether or not any

express assignment has been made, the provisions of this Agreement which are for the benefit of Holders are also for the benefit of, and enforceable by, any subsequent or successor Holder.

Section 1.18 Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent by confirmed electronic mail if sent during normal business hours of the recipient but; if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) three Business Days after it is mailed to the recipient by first class mail, return receipt requested. Such notices, demands and other communications shall be sent to the Corporation at the address specified below and to any Member or to any other party subject to this Agreement at such address as indicated on the Schedule of Holders, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any party may change such party's address for receipt of notice by providing prior written notice of the change to the sending party as provided herein. The Corporation's address is:

i3 Verticals, Inc.
40 Burton Hills Blvd., Suite 415
Nashville, TN 37215
Attn: Paul Maple, General Counsel
Electronic Mail: pmaple@i3verticals.com

With a copy to:

Bass, Berry & Sims PLC
150 Third Avenue S., Suite 2800
Nashville, TN 37201
Attn: J. Page Davidson and Jay H. Knight
Electronic Mail: pdavidson@bassberry.com; jknight@bassberry.com

or to such other address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

Section 1.19 Business Days. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the immediately following Business Day.

Section 1.20 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware without regard to its conflicts of law rules.

Section 1.21 Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than by limitation.

Section 1.22 No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

Section 1.23 Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

Section 1.24 Electronic Delivery. This Agreement, the agreements referred to herein, each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

Section 1.25 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Holder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

i3 VERTICALS, INC.

By: _____
Name: Gregory Daily
Title: Chief Executive Officer

[Member]

By: [●]

By: _____

Name: _____

Title: _____

CREDIT AGREEMENT

Dated as of October 30, 2017

among

i3 VERTICALS, LLC,
as the Borrower,

THE SUBSIDIARIES OF THE BORROWER IDENTIFIED HEREIN,
as the Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swingline Lender and L/C Issuer,

and

THE OTHER LENDERS PARTY HERETO

REGIONS BANK,
as Documentation Agent

Arranged By:

BANK OF AMERICA MERRILL LYNCH,
FIFTH THIRD BANK,
and
WELLS FARGO SECURITIES, LLC
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS	1
1.01 Defined Terms	1
1.02 Other Interpretive Provisions	33
1.03 Accounting Terms	34
1.04 Rounding	34
1.05 Times of Day; Rates	35
1.06 Letter of Credit Amounts	35
ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS	35
2.01 Revolving Loans and Term Loan	35
2.02 Borrowings, Conversions and Continuations of Loans	35
2.03 Letters of Credit	37
2.04 Swingline Loans	45
2.05 Prepayments	47
2.06 Termination or Reduction of Aggregate Revolving Commitments	50
2.07 Repayment of Loans	50
2.08 Interest	51
2.09 Fees	51
2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate	52
2.11 Evidence of Debt	53
2.12 Payments Generally; Administrative Agent's Clawback	53
2.13 Sharing of Payments by Lenders	55
2.14 Cash Collateral	55
2.15 Defaulting Lenders	56
2.16 Incremental Facility Loans	56
ARTICLE III TAXES, YIELD PROTECTION AND ILLEGALITY	60
3.01 Taxes	61
3.02 Illegality	65
3.03 Inability to Determine Rates	66
3.04 Increased Costs; Reserves on Eurodollar Rate Loans	66
3.05 Compensation for Losses	68
3.06 Mitigation Obligations; Replacement of Lenders	68
3.07 Survival	69
ARTICLE IV CONDITIONS PRECEDENT TO CREDIT EXTENSIONS	69
4.01 Conditions of Initial Credit Extension	69
4.02 Conditions to all Credit Extensions	71
ARTICLE V REPRESENTATIONS AND WARRANTIES	72
5.01 Existence, Qualification and Power	72
5.02 Authorization; No Contravention	72
5.03 Governmental Authorization; Other Consents	72
5.04 Binding Effect	72
5.05 Financial Statements; No Material Adverse Effect	72
5.06 Litigation	73
5.07 No Default	73
5.08 Ownership of Property	74

5.09	Environmental Compliance	74
5.10	Insurance	74
5.11	Taxes	75
5.12	ERISA Compliance	75
5.13	Subsidiaries	76
5.14	Margin Regulations; Investment Company Act	76
5.15	Disclosure	76
5.16	Compliance with Laws	76
5.17	Intellectual Property; Licenses, Etc.	77
5.18	Solvency	77
5.19	Perfection of Security Interests in the Collateral	77
5.20	Business Locations; Taxpayer Identification Number	77
5.21	OFAC	77
5.22	Anti-Corruption Laws	78
5.23	No EEA Financial Institution	78
ARTICLE VI AFFIRMATIVE COVENANTS		78
6.01	Financial Statements	78
6.02	Certificates; Other Information	79
6.03	Notices	81
6.04	Payment of Taxes	81
6.05	Preservation of Existence, Etc.	81
6.06	Maintenance of Properties	81
6.07	Maintenance of Insurance	82
6.08	Compliance with Laws	82
6.09	Books and Records	82
6.10	Inspection Rights	83
6.11	Use of Proceeds	83
6.12	ERISA Compliance	83
6.13	Additional Guarantors	84
6.14	Pledged Assets.	84
6.15	Anti-Corruption Laws	84
6.16	Post-Closing Matters	84
ARTICLE VII NEGATIVE COVENANTS		85
7.01	Liens	85
7.02	Investments	87
7.03	Indebtedness	88
7.04	Fundamental Changes	89
7.05	Dispositions	90
7.06	Restricted Payments	90
7.07	Change in Nature of Business	91
7.08	Transactions with Affiliates	91
7.09	Burdensome Agreements	91
7.10	Use of Proceeds	92
7.11	Financial Covenants	92
7.12	Prepayment of Other Indebtedness, Etc.	93
7.13	Organization Documents; Fiscal Year; Legal Name, State of Formation and Form of Entity	94
7.14	Ownership of Subsidiaries	94
7.15	Sale Leasebacks	94

7.16	Anti-Corruption Laws	94
7.17	Sanctions	94
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES		95
8.01	Events of Default	95
8.02	Remedies Upon Event of Default	97
8.03	Application of Funds	97
ARTICLE IX ADMINISTRATIVE AGENT		98
9.01	Appointment and Authority	98
9.02	Rights as a Lender	99
9.03	Exculpatory Provisions	99
9.04	Reliance by Administrative Agent	100
9.05	Delegation of Duties	101
9.06	Resignation of Administrative Agent	101
9.07	Non-Reliance on Administrative Agent and Other Lenders	102
9.08	No Other Duties; Etc.	103
9.09	Administrative Agent May File Proofs of Claim; Credit Bidding	103
9.10	Collateral and Guaranty Matters	104
9.11	Secured Cash Management Agreements and Secured Hedge Agreements	105
9.12	ERISA Matters	105
ARTICLE X GUARANTY		107
10.01	The Guaranty	107
10.02	Obligations Unconditional	107
10.03	Reinstatement	108
10.04	Certain Additional Waivers	108
10.05	Remedies	108
10.06	Rights of Contribution	109
10.07	Guarantee of Payment; Continuing Guarantee	109
10.08	Keepwell	109
ARTICLE XI MISCELLANEOUS		110
11.01	Amendments, Etc.	110
11.02	Notices; Effectiveness; Electronic Communications	112
11.03	No Waiver; Cumulative Remedies; Enforcement	114
11.04	Expenses; Indemnity; Damage Waiver	115
11.05	Payments Set Aside	117
11.06	Successors and Assigns	117
11.07	Treatment of Certain Information; Confidentiality	123
11.08	Rights of Setoff	124
11.09	Interest Rate Limitation	124
11.10	Counterparts; Integration; Effectiveness	125
11.11	Survival of Representations and Warranties	125
11.12	Severability	125
11.13	Replacement of Lenders	125
11.14	Governing Law; Jurisdiction; Etc.	126
11.15	Waiver of Jury Trial	127
11.16	No Advisory or Fiduciary Responsibility	127
11.17	Electronic Execution of Assignments and Certain Other Documents	128
11.18	USA PATRIOT Act Notice	128

11.19	Subordination of Intercompany Indebtedness	129
11.20	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	129

129
129

SCHEDULES

1.01	Disqualified Institutions
2.01	Commitments and Applicable Percentages
5.10	Insurance
5.13	Subsidiaries
5.17	IP Rights
5.20(a)	Locations of Real Property
5.20(b)	Location of Chief Executive Office, Taxpayer Identification Number, Etc.
5.20(c)	Changes in Legal Name, State of Formation and Structure
5.20(d)	Deposit and Investment Accounts
7.01	Liens Existing on the Closing Date
7.02	Investments Existing on the Closing Date
7.03	Indebtedness Existing on the Closing Date
11.02	Certain Addresses for Notices

EXHIBITS

1.01	Form of Secured Party Designation Notice
2.02	Form of Loan Notice
2.04	Form of Swingline Loan Notice
2.05	Form of Notice of Loan Prepayment
2.11(a)	Form of Note
3.01	Forms of U.S. Tax Compliance Certificates
6.02	Form of Compliance Certificate
6.13	Form of Joinder Agreement
11.06(b)	Form of Assignment and Assumption
11.06(b)(iv)	Form of Administrative Questionnaire

CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of October 30, 2017 among i3 VERTICALS, LLC, a Delaware limited liability company (the “Borrower”), the Guarantors (defined herein), the Lenders (defined herein) and BANK OF AMERICA, N.A., as Administrative Agent, Swingline Lender and L/C Issuer.

The Borrower has requested that the Lenders provide credit facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

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

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

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

“Acquired Indebtedness” has the meaning specified in Section 7.03(m).

“Acquired Investments” has the meaning specified in Section 7.02(i).

“Acquisition”, by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of either (a) all or any substantial portion of the property of, or a line of business, division of or other business unit of, another Person or (b) at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger or consolidation with such other Person.

“Administrative Agent” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in substantially the form of Exhibit 11.06(b)(iv) or any other form approved by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Lenders. The initial amount of the Aggregate Revolving Commitments in effect on the Closing Date is \$110,000,000.

“Agreement” means this Credit Agreement.

“Applicable Percentage” means with respect to any Lender at any time, (a) with respect to such Lender’s Revolving Commitment at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time; provided that if the commitment of each Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments, and (b) with respect to such Lender’s portion of the outstanding Term Loan at any time, the percentage (carried out to the ninth decimal place) of the outstanding principal amount of the Term Loan held by such Lender at such time. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or other documentation pursuant to which such Lender becomes a party hereto, as applicable. The Applicable Percentages shall be subject to adjustment as provided in Section 2.15.

“Applicable Rate” means the following percentages per annum, based upon the Consolidated Senior Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(b):

Pricing Tier	Consolidated Senior Leverage Ratio	Commitment Fee	Letter of Credit Fee	Eurodollar Rate Loans	Base Rate Loans
1	> 3.00 to 1.0	0.30%	4.00%	4.00%	2.00%
2	> 2.50 to 1.0 but ≤ 3.00 to 1.0	0.25%	3.25%	3.25%	1.25%
3	> 2.00 to 1.0 but ≤ 2.50 to 1.0	0.20%	3.00%	3.00%	1.00%
4	≤ 2.00 to 1.0	0.15%	2.75%	2.75%	0.50%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Senior Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(b); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Tier 1 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the first Business Day immediately following the date on which such Compliance Certificate is delivered in accordance with Section 6.02(b), whereupon the Applicable Rate shall be adjusted based upon the calculation of the Consolidated Senior Leverage Ratio contained in such Compliance Certificate. The Applicable Rate in effect from the Closing Date through the first Business Day immediately following the date a Compliance Certificate is required to be delivered pursuant to Section 6.02(b) for the fiscal quarter ending March 31, 2018 shall be determined based upon Pricing Tier 1. Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” means Merrill Lynch, Pierce, Fenner & Smith, Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement), in its capacity as a joint lead arranger and joint bookrunner.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit 11.06(b) or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

“Assignment of Key Man Insurance” means the Assignment of Life Insurance Policy as Collateral for the Key Man Insurance executed by the Borrower and Greg Daily.

“Attributable Indebtedness” means, with respect to any Person on any date, (a) in respect of any capital lease, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease, (c) in respect of any Securitization Transaction, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Administrative Agent in its reasonable judgment and (d) in respect of any Sale and Leaseback Transaction, the present value (discounted in accordance with GAAP at the debt rate implied in the applicable lease) of the obligations of the lessee for rental payments during the term of such lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended September 30, 2016, and the related consolidated statements of income or operations, shareholders’ equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, including the notes thereto.

“Availability Period” means, with respect to the Revolving Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank of America” means Bank of America, N.A. and its successors.

“Base Rate” means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate” and (c) the Eurodollar Rate plus 1.0%; provided that if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such “prime rate” announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Internal Revenue Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such “employee benefit plan” or “plan”.

“Borrower” has the meaning specified in the introductory paragraph hereto.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, (a) cash or deposit account balances, (b) backstop letters of credit entered into on terms, from issuers and in amounts satisfactory to the Administrative Agent and the L/C Issuer and/or (c) if the Administrative Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of \$500,000,000 or (iii) any bank whose short term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody’s is at least P-1 or the equivalent thereof (any such bank being an “Approved Bank”), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody’s and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least

\$500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

“Cash Management Agreement” means any agreement that is not prohibited by the terms hereof to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p-cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

“Cash Management Bank” means any Person that (a) at the time it enters into a Cash Management Agreement, is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, (b) in the case of any Cash Management Agreement in effect on or prior to the Closing Date, is, as of the Closing Date or within 30 days thereafter, a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent and a party to a Cash Management Agreement or (c) within 30 days after the time it enters into the applicable Cash Management Agreement, becomes a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, in each case, in its capacity as a party to such Cash Management Agreement.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (having the force of Law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which:

(a) Prior to a Qualifying IPO, Greg Daily shall cease to be available to the Borrower to provide substantially similar services to those provided by him to the Borrower as of the Closing Date, whether by reason of death, long-term disability, retirement, termination of employment or otherwise, and the Loan Parties do not, within one hundred twenty (120) days (or such longer period as the Administrative Agent may agree in its sole discretion) of the date that he ceases to be so available, replace his services in a manner reasonably acceptable to the Required Lenders; or

(b) at any time upon or after the consummation of a Qualifying IPO of the Borrower or HoldCo after an Up-C Restructuring, (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Greg Daily becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all Equity Interests that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of Voting Stock of the Borrower or HoldCo after an Up-C Restructuring representing 25% or more of the combined voting power of all Voting Stock of the Borrower or HoldCo after an Up-C Restructuring on a fully diluted basis (and taking into account all such

securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower or HoldCo after an Up-C Restructuring cease to be composed of individuals (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (z) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

“Closing Date” means October 30, 2017.

“Collateral” means a collective reference to all property with respect to which Liens in favor of the Administrative Agent, for the benefit of itself and the other holders of the Obligations, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

“Collateral Documents” means a collective reference to the Security Agreement, the Mortgages, the Assignment of Key Man Insurance, and other security documents as may be executed and delivered by any Loan Party pursuant to the terms of Section 6.14 or any of the Loan Documents.

“Commitment” means, as to each Lender, the Revolving Commitment of such Lender and/or the Term Loan Commitment of such Lender.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*).

“Compliance Certificate” means a certificate substantially in the form of Exhibit 6.02.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Capital Expenditures” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, all capital expenditures.

“Consolidated EBITDA” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to (a) Consolidated Net Income for such period plus (b) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period, (ii) the provision for federal, state, local, foreign income, franchise, value added, sales or other taxes payable for such period, (iii) depreciation and amortization expense for such period, (iv) to the extent not capitalized, non-recurring transaction expenses incurred after the Closing Date in connection with the consummation of Permitted Acquisitions, whether or not consummated, in an aggregate amount not to exceed 5% of Consolidated EBITDA (determined without giving effect to this add back) for such period, (v) to the extent not capitalized, M&A advisor fees and broker’s fees, in each case, incurred in connection with Permitted Acquisitions, (vi) legal expenses incurred in connection with assessing claims related to Acquisitions that closed prior to the Closing Date and amounts incurred in connection with the settlement of such claims; provided, that the aggregate amount added back pursuant to this clause (vi) during the term of this Agreement shall not exceed \$1,000,000, (vii) the Expert Auto Repair Amount; provided that the Expert Auto Repair Amount shall only be added back in the one fiscal quarter in which the Expert Auto Repair Amount is recognized on the Borrower’s financial statements, (viii) to the extent not capitalized, non-recurring transaction fees and expenses incurred after the Closing Date in connection with a Qualifying IPO, (ix) all financial advisory fees, accounting fees, legal fees and other similar

advisory and consulting fees and related out of pocket expenses incurred as a result of the entering into and funding of the Loans on the Closing Date, (x) any expense to the extent that a corresponding amount is received during such period in cash by the Loan Parties or their Subsidiaries under any agreement providing for indemnification or reimbursement of such expenses, (xii) any expense with respect to liability or casualty events or business interruption to the extent reimbursed or advanced to the Loan Parties or their Subsidiaries during such period by third party insurance, (xiii) pro forma “run rate” cost savings, operating expense reductions and synergies related to Permitted Acquisitions, Dispositions and other specified transactions, restructurings, cost savings initiatives and other initiatives that are reasonably identified and projected by the Borrower to result from actions that have been taken or with respect to which substantial steps have been taken (in the good faith determination of the Borrower) within 12 months after the relevant transaction; provided that the aggregate amount added back pursuant to this clause (xxii) shall not exceed 5% of Consolidated EBITDA (determined without giving effect to this add back).

“Consolidated Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (a) the sum of (i) Consolidated EBITDA for the most recently completed four fiscal quarters minus (ii) Consolidated Capital Expenditures for such period minus (iii) income taxes paid in cash during such period (including Permitted Tax Distributions) to (b) Consolidated Fixed Charges for the most recently completed four fiscal quarters.

“Consolidated Fixed Charges” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) the cash portion of Consolidated Interest Charges for such period plus (b) Consolidated Scheduled Funded Debt Payments for such period.

“Consolidated Funded Indebtedness” means, as of any date of determination with respect to the Borrower and its Subsidiaries on a consolidated basis, without duplication, the sum of: (a) the outstanding principal amount of all obligations for borrowed money (including Obligations) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) the maximum amount available to be drawn under issued and outstanding letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments; (c) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business); (d) all purchase money Indebtedness; (e) all Attributable Indebtedness; (f) all obligations to purchase, redeem, retire, defease or otherwise make any payment prior to the Maturity Date in respect of any Equity Interests or any warrant, right or option to acquire such Equity Interest, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (g) all Guarantees with respect to Indebtedness of the types specified in clauses (a) through (f) above of another Person; and (h) all Indebtedness of the types referred to in clauses (a) through (g) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which any Loan Party or any Subsidiary is a general partner or joint venturer, except to the extent that Indebtedness is expressly made non-recourse to such Person.

“Consolidated Interest Charges” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, plus (b) the portion of rent expense with respect to such period under capital leases that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Lease Obligations with respect to such period.

“Consolidated Net Income” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, net income (or loss) for such period; provided that Consolidated Net Income shall exclude (a) extraordinary gains for such period, (b) the net income of any Subsidiary during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such period, and (c) any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Borrower’s equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Borrower or a Subsidiary as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary, such Subsidiary is not precluded from further distributing such amount to the Borrower as described in clause (b) of this proviso).

“Consolidated Senior Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness (other than Subordinated Debt) as of such date to (b) Consolidated EBITDA for the most recently completed four fiscal quarters.

“Consolidated Scheduled Funded Debt Payments” means for any period for the Borrower and its Subsidiaries on a consolidated basis, the sum of all scheduled payments of principal on Consolidated Funded Indebtedness. For purposes of this definition, “scheduled payments of principal” (a) shall be determined without giving effect to any reduction of such scheduled payments resulting from the application of any voluntary or mandatory prepayments made during the applicable period, (b) shall be deemed to include the Attributable Indebtedness and (c) shall not include any voluntary prepayments or mandatory prepayments required pursuant to Section 2.05(b).

“Consolidated Total Assets” means, as of any date of determination, the total assets of the Borrower and its Subsidiaries on a consolidated basis, determined in accordance with GAAP.

“Consolidated Total Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA for the most recently completed four fiscal quarters.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 5% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Debt Issuance” means the issuance by any Loan Party or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 7.03.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement,

receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) with respect to any Obligation for which a rate is specified, a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto and (b) with respect to any Obligation for which a rate is not specified or available, a rate per annum equal to the Base Rate plus the Applicable Rate for Revolving Loans that are Base Rate Loans plus two percent (2%), in each case, to the fullest extent permitted by applicable Law.

“Defaulting Lender” means, subject to Section 2.15(d), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(d)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swingline Lender and each other Lender promptly following such determination.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory is the subject of any Sanction.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property by any Loan Party or any Subsidiary, including any Sale and Leaseback Transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding any Recovery Event.

“Disqualified Institutions” means (a) any Person designated by the Borrower by legal name as a “Disqualified Institution” on Schedule 1.01 and such other Persons as mutually agreed by the Borrower and the Administrative Agent (the consent of the Administrative Agent not to be unreasonably withheld) and identified as a “Disqualified Institution” in writing to the Administrative Agent as an update to Schedule 1.01; provided that such designation shall become effective one Business Day after the date that such written designation to the Administrative Agent is made available to the Lenders on the Platform but which shall not apply retroactively to disqualify any Persons that have previously become a Lender), (b) any other Person that is a bona fide competitor of the Borrower or any of the Borrower’s Subsidiaries each of which has been designated by the Borrower as a “Disqualified Institution” by legal name on Schedule 1.01 or such other bona fide competitor identified in writing to the Administrative Agent as an update to Schedule 1.01; provided that such designation shall become effective one Business Day after the date that such written designation to the Administrative Agent is made available to the Lenders on the Platform but which shall not apply retroactively to disqualify any Persons that have previously become a Lender) and (c) any Affiliate of Persons identified in clause (a) or (b) to the extent such entity is clearly identifiable as an Affiliate of such Person based solely on such Affiliate’s name; provided that “Disqualified Institutions” shall exclude any Person that the Borrower has designated as no longer being a “Disqualified Institution” by written notice delivered to the Administrative Agent from time to time, provided further that during continuation of any Event of Default, the Borrower may not designate any additional Persons as Disqualified Institutions without the consent of the Administrative Agent.

“Dollar” and “\$” mean lawful money of the United States.

“Domestic Subsidiary” means any Subsidiary that is organized under the Laws of any state of the United States or the District of Columbia.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Sections 11.06(b) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

“Environmental Laws” means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the

environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Loan Party or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Equity Issuance” means any issuance by any Loan Party or any Subsidiary to any Person of its Equity Interests, other than (a) any issuance of its Equity Interests pursuant to the exercise of options or warrants, (b) any issuance of its Equity Interests pursuant to the conversion of any debt securities to equity or the conversion of any class of equity securities to any other class of equity securities, (c) any issuance of options or warrants relating to its Equity Interests, (d) any issuance by the Borrower of its Equity Interests as consideration for a Permitted Acquisition and (e) any issuance of Equity Interests by a Subsidiary to the Borrower or another Subsidiary. The term “Equity Issuance” shall not be deemed to include any Disposition.

“ERISA” means the Employee Retirement Income Security Act of 1974, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA, (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the

Borrower or any ERISA Affiliate or (i) a failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or the failure by the Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar Rate” means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate (“LIBOR”) or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the “LIBOR Rate”) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the LIBOR Rate, at approximately 11:00 a.m., London time determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that day;

provided that (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied as otherwise reasonably determined by the Administrative Agent and (ii) if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Eurodollar Rate Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of “Eurodollar Rate.”

“Event of Default” has the meaning specified in Section 8.01.

“Excluded Account” means any deposit account or securities account that (a) has a balance of less than \$100,000, provided that the aggregate balance of all accounts excluded pursuant to this clause (a) shall not exceed \$750,000, (b) contains solely funds for accrued payroll, taxes or employee benefits or (c) contains solely funds held in trust for third parties.

“Excluded Property” means, with respect to any Loan Party, (a) any owned real property which is located outside of the United States, unless requested by the Administrative Agent or the Required Lenders, (b) any leased real property, unless requested by the Administrative Agent or the Required Lenders, (c) unless requested by the Administrative Agent or the Required Lenders, any IP Rights for which a perfected Lien thereon is not effected either by filing of a Uniform Commercial Code financing statement or by appropriate evidence of such Lien being filed in either the United States Copyright Office or the United States Patent and Trademark Office, (d) unless requested by the Administrative Agent or the Required Lenders, any personal property (other than personal property described in clause (c) above) for which the attachment or perfection of a Lien thereon is not governed by the Uniform Commercial Code, (e) the Equity Interests of any direct Foreign Subsidiary of any Loan Party to the extent not required to be

pledged to secure the Obligations pursuant to Section 6.14(a), (f) any property which, subject to the terms of Section 7.09, is subject to a Lien of the type described in Section 7.01(i) pursuant to documents which prohibit such Loan Party from granting any other Liens in such property, (g) any general intangible, permit, lease, license, contract or other instrument to the extent the grant of a security interest in such general intangible, permit, lease, license, contract or other instrument in the manner contemplated by the Loan Documents, under the terms thereof or under applicable Law, is prohibited and would result in the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter such Loan Party's rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both); provided that (i) any such limitation described in the foregoing clause (g), on the security interests granted under the Loan Documents shall only apply to the extent that any such prohibition could not be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable Law (including Debtor Relief Laws) or principles of equity and (ii) in the event of the termination or elimination of any such prohibition or the requirement for any consent contained in any applicable Law, general intangible, permit, lease, license, contract or other instrument, to the extent sufficient to permit any such item to become Collateral, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such general intangible, permit, lease, license, contract or other instrument shall be automatically and simultaneously granted under the Collateral Documents and shall be included as Collateral, (h) any Excluded Account, and (i) any Merchant Funds.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant by such Guarantor of a Lien to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Future Trading Commission (or the application or official interpretation thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 10.08 and any other "keepwell", support or other agreement for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or grant by such Guarantor of a Lien, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply to only the portion of such Swap Obligation that is attributable to Swap Contracts for which such Guaranty or Lien is or becomes excluded in accordance with the first sentence of this definition.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii), 3.01(a)(iii) or 3.01(c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

“Existing Credit Agreement” means that certain Term Loan Agreement and Revolving Credit Loan Agreement, dated as of April 29, 2016, among the Borrower, the other borrowers party thereto, the lenders party thereto and First Bank, as administrative agent.

“Existing Mezzanine Debt” means Indebtedness of the Borrower and its Subsidiaries outstanding on the Closing Date under that certain First Amended and Restated Loan Agreement, dated as of January 9, 2015, among the Loan Parties, as borrowers, CCSD II, L.P., Claritas Capital Specialty Debt Fund, L.P., and Harbert Mezzanine Partners III, L.P., as lenders and Claritas Capital Specialty Debt Fund, L.P., as collateral agent.

“Existing Subordinated Debt” means Indebtedness of the Borrower and its Subsidiaries outstanding on the Closing Date under that certain Master Note Purchase Agreement dated as of February 14, 2014 by and among i3 Verticals, LLC (f/k/a Charge Payments, LLC) and the purchasers from time to time party thereto.

“Expert Auto Repair Amount” means the amount which is utilized by the Borrower in connection with the settlement of that certain class action lawsuit styled “Expert Auto Repair, Inc. et al vs. Merchant Processing Solutions, LLC, et al”; provided that the Expert Auto Repair Amount shall not exceed \$1,000,000.

“Extraordinary Receipts” means, with respect to any Person, any cash received by or paid to or for the account of such Person not in the ordinary course of business, including tax refunds, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings and proceeds of Recovery Events but including cash received by or paid to or for the account of such Person pursuant to the Key Man Insurance), indemnity payments and any purchase price adjustments; provided, however, that (i) an Extraordinary Receipt shall not include cash receipts from proceeds of insurance or indemnity payments to the extent that such proceeds, awards or payments are received by any Person in respect of any third party claim against such Person and applied to pay (or to reimburse such Person for its prior payment of) such claim and the costs and expenses of such Person with respect thereto, (ii) Extraordinary Receipts shall not include indemnification payments made pursuant to any acquisition document, and (iii) Extraordinary Receipts shall exclude any single or related series of amounts, in each case, received in an aggregate amount of less than \$500,000 per fiscal year.

“Facility Termination Date” means the date as of which all of the following shall have occurred:

(a) all Commitments have terminated, (b) all Obligations arising under the Loan Documents have been paid in full (other than contingent indemnification obligations), and (c) all Letters of Credit have terminated or expired (other than Letters of Credit that have been Cash Collateralized).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Internal Revenue Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such

transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Fee Letter” means the letter agreement, dated as of the Closing Date among the Borrower and the Administrative Agent.

“Flood Hazard Property” means any real property subject to a Mortgage that is in an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender’s Applicable Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“GAAP” means generally accepted accounting principles in the United States set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) including, without limitation, the FASB Accounting Standards Codification, that are applicable to the circumstances as of the date of determination, consistently applied and subject to Section 1.03.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable

or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guarantors” means, collectively, (a) each Domestic Subsidiary of the Borrower identified as a “Guarantor” on the signature pages hereto, (b) each Person that joins as a Guarantor pursuant to Section 6.13 or otherwise, (c) with respect to (i) Obligations under any Secured Hedge Agreement, (ii) Obligations under any Secured Cash Management Agreement and (iii) any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 10.01 and 10.08) under the Guaranty, the Borrower, and (d) the successors and permitted assigns of the foregoing.

“Guaranty” means the Guaranty made by the Guarantors in favor of the Administrative Agent and the other holders of the Obligations pursuant to Article X.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, natural gas, natural gas liquids, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, toxic mold, infectious or medical wastes and all other substances, wastes, chemicals, pollutants, contaminants or compounds of any nature in any form regulated pursuant to any Environmental Law.

“Hedge Bank” means any Person that (i) at the time it enters into a Swap Contract, is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, (ii) in the case of any Swap Contract in effect on or prior to the Closing Date, is, as of the Closing Date or within 30 days thereafter, a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent and a party to a Swap Contract or (iii) within 30 days after the time it enters into the applicable Swap Contract, becomes a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, in each case, in its capacity as a party to such Swap Contract; provided, in the case of a Secured Hedge Agreement with a Person who is no longer a Lender (or Affiliate of a Lender), such Person shall be considered a Hedge Bank only through the stated termination date (without extension or renewal) of such Secured Hedge Agreement.

“HoldCo” has the meaning set forth in the definition of Up-C Restructuring.

“Honor Date” has the meaning set forth in Section 2.03(c).

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

“Immaterial Subsidiary” means any Subsidiary, at any date of determination, whose contribution to Consolidated EBITDA for the recently completed four fiscal quarters is less than 2.5% of such Consolidated EBITDA; provided that if, at any time and from time to time after the Closing Date, Immaterial Subsidiaries contribute more than 5.0% of Consolidated EBITDA for the recently completed four fiscal quarters, then the Borrower shall, not later than 10 days after the date by which financial statements for such quarter are required to be delivered pursuant to this Agreement (or such longer period as the Administrative Agent may agree in its reasonable discretion), (i) designate in writing to the Administrative Agent one or more of such Subsidiaries as no longer being an “Immaterial Subsidiary” to the extent required such that Immaterial Subsidiaries, in the aggregate do not contribute more than 5.0% of Consolidated EBITDA for the recently completed four fiscal quarters and (ii) comply with the provisions of Section 6.13 applicable to such Subsidiary.

“Incremental Facility Amendment” has the meaning specified in Section 2.16.

“Incremental Facility Loans” has the meaning specified in Section 2.16.

“Incremental Request” has the meaning specified in Section 2.16.

“Incremental Revolving Commitments” has the meaning specified in Section 2.16.

“Incremental Revolving Loans” has the meaning specified in Section 2.16.

“Incremental Term Facility” has the meaning specified in Section 2.16.

“Incremental Term Loans” has the meaning specified in Section 2.16.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) the maximum amount of all direct or contingent obligations arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;
- (c) the Swap Termination Value of any Swap Contract;
- (d) all obligations to pay the deferred purchase price of property or services (including earnout obligations) (other than trade accounts payable in the ordinary course of business);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations to purchase, redeem, retire, defease or otherwise make any payment prior to the Maturity Date in respect of any Equity Interests or any warrant, right or option to acquire such Equity Interest, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(h) all Guarantees of such Person in respect of any of the foregoing; and

(i) all Indebtedness of the types referred to in clauses (a) through (h) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 11.04(b).

“Information” has the meaning specified in Section 11.07.

“Interest Payment Date” means (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swingline Loan), the last Business Day of each March, June, September and December and the Maturity Date.

“Interest Period” means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter or, to the extent available to all Lenders, such other period that is twelve months thereafter or less (in each case, subject to availability), as selected by the Borrower in its Loan Notice; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

“Internal Revenue Code” means the Internal Revenue Code of 1986.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person,

(b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IP Rights” has the meaning specified in Section 5.17.

“IRS” means the United States Internal Revenue Service.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit 6.13 executed and delivered by a Domestic Subsidiary in accordance with the provisions of Section 6.13 or any other documents as the Administrative Agent shall deem appropriate for such purpose.

“Key Man Insurance” has the meaning provided in Section 6.07(a).

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of Law.

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lenders” means each of the Persons identified as a “Lender” on the signature pages hereto, each other Person that becomes a “Lender” in accordance with this Agreement and their successors and assigns and, unless the context requires otherwise, includes the Swingline Lender.

“Lending Office” means, as to the Administrative Agent, the L/C Issuer or any Lender, the office or offices of such Person described as such in such Person’s Administrative Questionnaire, or such other office or offices as such Person may from time to time notify the Borrower and the Administrative Agent, which office may include any Affiliate of such Person or any domestic or foreign branch of such Person or such affiliate.

“Letter of Credit” means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(h).

“Letter of Credit Sublimit” means an amount equal to the lesser of (a) \$10,000,000 and (b) the Aggregate Revolving Commitments. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Liquidity” means, as of any date of determination, means, at any time, the sum of (a) availability under the Aggregate Revolving Commitments at such time, plus (b) unrestricted cash and Cash Equivalents of the Loan Parties at such time.

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan, Swingline Loan or the Term Loan, and shall include as the context requires, any Incremental Facility Loan.

“Loan Documents” means this Agreement, each Note, each Issuer Document, each Joinder Agreement, the Collateral Documents, each Incremental Facility Amendment, each Subordination Agreement, and the Fee Letter (but specifically excluding Secured Hedge Agreements and any Secured Cash Management Agreements).

“Loan Notice” means a notice of (a) a Borrowing of Revolving Loans or the Term Loan, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, in each case pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit 2.02 or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) appropriately completed and signed by a Responsible Officer of the Borrower.

“Loan Parties” means, collectively, the Borrower and each Guarantor.

“Master Agreement” has the meaning specified in the definition of “Swap Contract.”

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

“Maturity Date” means October 30, 2022; provided, however, that if such date is earlier, the Maturity Date shall be the date that is 181 days prior to the maturity date of the Existing Mezzanine Debt; provided, further, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

“Merchant” means any customer for whom any of the Loan Parties or their Subsidiaries directly or indirectly provides electronic payment processing services, including, without limitation, credit, debit, PIN debit, fleet, gift card, rewards and loyalty programs, electronic benefit transfer and check authorization and conversion, or with respect to whom any of the Loan Parties or their Subsidiaries directly or indirectly receives residuals, commissions or fees.

“Merchant Funds” means any loss reserves, deposits, suspended/held funds and any other monies or accounts consisting of any Merchants’ funds, whether held by Loan Parties, their Subsidiaries or third parties.

“Minimum Collateral Amount” means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during any period when a Lender constitutes a Defaulting Lender, an amount equal to 105% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 105% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Mortgages” means the mortgages, deeds of trust or deeds to secure debt that purport to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a security interest in the fee interests and/or leasehold interests of any Loan Party in any real property.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means the aggregate cash or Cash Equivalents proceeds received by any Loan Party or any Subsidiary in respect of any Disposition, Equity Issuance, Debt Issuance or Recovery

Event, net of (a) direct costs incurred in connection therewith (including legal, accounting and investment banking fees, and sales commissions), (b) taxes paid or payable as a result thereof and (c) in the case of any Disposition or any Recovery Event, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related property; it being understood that “Net Cash Proceeds” shall include any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Loan Party or any Subsidiary in any Disposition, Equity Issuance, Debt Issuance or Recovery Event.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Note” has the meaning specified in Section 2.11(a).

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit 2.05 or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Obligations” means with respect to each Loan Party (i) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, and (ii) all obligations of any Loan Party or any Subsidiary owing to a Cash Management Bank or a Hedge Bank in respect of Secured Cash Management Agreements or Secured Hedge Agreements, in each case identified in clauses (i) and (ii) whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, that the “Obligations” of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement or limited liability company agreement (or equivalent or comparable documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction) and (d) with respect to all entities, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction).

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

“Other Term Loans” has the meaning specified in Section 2.16.

“Outstanding Amount” means (a) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Internal Revenue Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Internal Revenue Code.

“Permitted Acquisition” means (a) the Project Seal Acquisition or (b) an Investment consisting of an Acquisition by any Loan Party, provided that (i) no Default shall have occurred and be continuing or would result from such Acquisition, (ii) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in a line of business that the Loan Parties and their Subsidiaries are permitted to engage in pursuant to Section 7.07 (or any reasonable extensions or expansions thereof), (iii) the property acquired (or the property of the Person acquired) shall be located in Canada or the United States, (iv) in the case of an Acquisition of the Equity Interests of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (v) the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate

demonstrating that the Loan Parties would be in compliance with the financial covenants set forth in Section 7.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 6.01(a) or (b) after giving effect to such Acquisition on a Pro Forma Basis, (vi) the representations and warranties made by the Loan Parties in each Loan Document shall be true and correct in all material respects at and as if made as of the date of such Acquisition (after giving effect thereto), (vii) if such transaction involves the purchase of an interest in a partnership between any Loan Party as a general partner and entities unaffiliated with the Borrower as the other partners, such transaction shall be effected by having such equity interest acquired by a corporate holding company directly or indirectly wholly owned by such Loan Party newly formed for the sole purpose of effecting such transaction, (viii) if the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) exceeds \$15,000,000, the Borrower shall have delivered third party due diligence acceptable to the Administrative Agent with respect to the target, and (ix) the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) for any such Acquisition shall not exceed \$25,000,000.

“Permitted Liens” means, at any time, Liens in respect of property of any Loan Party or any Subsidiary permitted to exist at such time pursuant to the terms of Section 7.01.

“Permitted Tax Distributions” means, for any period during which the Borrower is taxed as a partnership under the Internal Revenue Code, cash distributions to the holders of the Borrower’s Equity Interests for purposes of paying the Borrower’s best estimate of their taxable income determined without regard to any basis adjustment to a member arising under Section 743(b) of the Internal Revenue Code.

“Permitted Transfers” means (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (c) Dispositions of accounts receivable in connection with the collection or compromise thereof; (d) Dispositions of machinery and equipment no longer used or useful in the conduct of business of the Loan Parties and their Subsidiaries that are Disposed of in the ordinary course of business; (e) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries; and (f) the sale or disposition of Cash Equivalents for fair market value.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Platform” has the meaning specified in Section 6.02.

“Pro Forma Basis” means, with respect to any transaction, that for purposes of calculating the financial covenants set forth in Section 7.11, such transaction (including the incurrence of any Indebtedness therewith) shall be deemed to have occurred as of the first day of the most recent four fiscal quarter period preceding the date of such transaction for which financial statements were required to be delivered pursuant to Section 6.01(a) or 6.01(b). In connection with the foregoing, (a) with respect to any Disposition or Recovery Event, (i) income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period

occurring prior to the date of such transaction and (ii) Indebtedness which is retired shall be excluded and deemed to have been retired as of the first day of the applicable period and (b) with respect to any Acquisition, (i) income statement and cash flow statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement and cash flow statement items for the Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent and (ii) any Indebtedness incurred or assumed by any Loan Party or any Subsidiary (including the Person or property acquired) in connection with such transaction and any Indebtedness of the Person or property acquired which is not retired in connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

“Pro Forma Compliance Certificate” means a certificate of a Responsible Officer of the Borrower containing reasonably detailed calculations of the financial covenants set forth in Section 7.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 6.01(a) or (b) after giving effect to the applicable transaction on a Pro Forma Basis.

“Project Seal Acquisition” means the Acquisition of all of the Equity Interests from Ality R. Richardson, as Successor Trustee under that Declaration of Trust (“Seller”) dated May 27, 1999 of San Diego Cash Register Company, Inc., a California corporation, by i3-SDCR, Inc. a Delaware corporation, pursuant to that certain Stock Purchase Agreement to be dated on or around October 31, 2017, by and among i3-SDCR, Inc., the Seller, and Ality R. Richardson and Ashley J. Richardson, individually.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 6.02.

“Qualified Acquisition” means (a) a Permitted Acquisition for which the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) exceeds \$15,000,000, or (b) a series of related Permitted Acquisitions in any three (3) month period, for which the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) for all such Permitted Acquisitions exceeds \$15,000,000; provided, that, for any Permitted Acquisition or series of Permitted Acquisitions to qualify as a “Qualified Acquisition”, the Administrative Agent shall have received (not fewer than five (5) Business Days (or such lesser period of time as may be agreed to by the Administrative Agent in its sole discretion) prior to the consummation of such Permitted Acquisition or the last in a series of related Permitted Acquisitions) a Qualified Acquisition Election Certificate with respect to such Permitted Acquisition or series of Permitted Acquisitions.

“Qualified Acquisition Election Certificate” means a certificate of a Responsible Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, (a) certifying that the applicable Permitted Acquisition or series of related Permitted Acquisitions meet the criteria set forth in clauses (a) or (b) (as applicable) of the definition of “Qualified Acquisition”, and (b) notifying the

Administrative Agent that the Borrower has elected to treat such Permitted Acquisition or series of related Permitted Acquisitions as a “Qualified Acquisition”.

“Qualified ECP Guarantor” means, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualifies at such time as an “eligible contract participant” under the Commodity Exchange Act and can cause another Person to qualify as an “eligible contract participant” at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Qualifying IPO” means the issuance by the Borrower or HoldCo after an Up-C Restructuring of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8 or S-4) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in connection with a secondary public offering) or in a firm commitment underwritten offering (or series of related offerings of securities to the public pursuant to a final prospectus) made pursuant to the Securities Act which results in gross cash proceeds to the Borrower or HoldCo after an Up-C Restructuring of at least \$50,000,000.

“Real Property Security Documents” means with respect to the fee interest and/or leasehold interest of any Loan Party in any real property:

- (a) a fully executed and notarized Mortgage encumbering the fee interest and/or leasehold interest of such Loan Party in such real property;
- (b) if requested by the Administrative Agent in its sole discretion, maps or plats of an as-built survey of the sites of such real property certified to the Administrative Agent and the title insurance company issuing the policies referred to in clause (c) of this definition in a manner satisfactory to each of the Administrative Agent and such title insurance company, dated a date satisfactory to each of the Administrative Agent and such title insurance company by an independent professional licensed land surveyor, which maps or plats and the surveys on which they are based shall be sufficient to delete any standard printed survey exception contained in the applicable title policy and be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 2011 with items 2, 3, 4, 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10, 11(a), 13, 14, 16,17, 18 and 19 on Table A thereof completed;
- (c) ALTA mortgagee title insurance policies issued by a title insurance company acceptable to the Administrative Agent with respect to such real property, assuring the Administrative Agent that the Mortgage covering such real property creates a valid and enforceable first priority mortgage lien on such real property, free and clear of all defects and encumbrances except Permitted Liens, which title insurance policies shall otherwise be in form and substance satisfactory to the Administrative Agent and shall include such endorsements as are requested by the Administrative Agent;
- (d) (i) a completed “Life-of-Loan” Federal Emergency Management Agency Standard Flood Hazard Determination with respect to such real property (together with a notice about special flood hazard area status and flood disaster assistance duly executed by each Loan Party relating thereto) and (ii) if such real property is a Flood Hazard Property, (A) notices to (and confirmations of receipt by) such Loan Party as to the existence of a special flood hazard and, if applicable, the unavailability of flood hazard insurance under the National Flood Insurance Program and (B) evidence of applicable flood insurance, if available, in each case in such form, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent;

(e) if requested by the Administrative Agent in its sole discretion, an environmental assessment report, as to such real property, in form and substance and from professional firms acceptable to the Administrative Agent;

(f) if requested by the Administrative Agent in its sole discretion, evidence reasonably satisfactory to the Administrative Agent that such real property, and the uses of such real property, are in compliance in all material respects with all applicable zoning Laws (the evidence submitted as to which should include the zoning designation made for such real property, the permitted uses of such real property under such zoning designation and, if available, zoning requirements as to parking, lot size, ingress, egress and building setbacks);

(g) in the case of a leasehold interest of any Loan Party in such real property, (i) such estoppel letters, consents and waivers from the landlords on such real property as may be required by the Administrative Agent, which estoppel letters shall be in the form and substance satisfactory to the Administrative Agent and (ii) evidence that the applicable lease, a memorandum of lease with respect thereto, or other evidence of such lease in form and substance satisfactory to the Administrative Agent, has been or will be recorded in all places to the extent necessary or desirable, in the judgment of the Administrative Agent, so as to enable the Mortgage encumbering such leasehold interest to effectively create a valid and enforceable first priority lien (subject to Permitted Liens) on such leasehold interest in favor of the Administrative Agent (or such other Person as may be required or desired under local Law); and

(h) if requested by the Administrative Agent in its sole discretion, an opinion of legal counsel to the Loan Party granting the Mortgage on such real property, addressed to the Administrative Agent and each Lender, in form and substance reasonably acceptable to the Administrative Agent.

“Recipient” means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Recovery Event” means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any Subsidiary.

“Register” has the meaning specified in Section 11.06(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swingline Loan, a Swingline Loan Notice.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that the amount of any participation in any Swingline Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed

to be held by the Lender that is the Swingline Lender or L/C Issuer, as the case may be, in making such determination.

“Residual Buyout” means any transaction in which a Loan Party or Subsidiary purchases a portion of the residual payments of any third party Person which provides business services to a Loan Party or Subsidiary; provided that any such residual buyout transaction shall be made in the ordinary course of business and consistent with prudent business practices customary in the industry in which the Borrower operates.

“Resignation Effective Date” has the meaning specified in Section 9.06.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party, and, solely for purposes of the delivery of incumbency certificates, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and appropriate authorization documentation, in form and substance reasonably satisfactory to the Administrative Agent.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to such Person’s stockholders, partners or members (or the equivalent Person thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment.

“Revolving Commitment” means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swingline Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01 or in the Assignment and Assumption or other documentation pursuant to which such Lender becomes a party hereto, as applicable as such amount may be adjusted from time to time in accordance with this Agreement. Revolving Commitments shall include any Incremental Revolving Commitment.

“Revolving Credit Exposure” means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender’s participation in L/C Obligations and Swingline Loans at such time.

“Revolving Loan” has the meaning specified in Section 2.01(a).

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw Hill Companies, Inc. and any successor thereto.

“Sale and Leaseback Transaction” means, with respect to any Person, any arrangement, directly or indirectly, whereby such Person shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

“Sanction(s)” means any sanction administered or enforced by the United States Government, including OFAC, the United Nations Security Council, the European Union, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Secured Cash Management Agreement” means any Cash Management Agreement that is entered into by and between any Loan Party or any Subsidiary and any Cash Management Bank with respect to such Cash Management Agreement. For the avoidance of doubt, a holder of Obligations in respect of Secured Cash Management Agreements shall be subject to the last paragraph of Section 8.03 and Section 9.11.

“Secured Hedge Agreement” means any Swap Contract that is entered into by and between any Loan Party or any Subsidiary and any Hedge Bank with respect to such Swap Contract. For the avoidance of doubt, a holder of Obligations in respect of Secured Hedge Agreements shall be subject to the last paragraph of Section 8.03 and Section 9.11.

“Secured Party Designation Notice” means a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit 1.01.

“Securitization Transaction” means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

“Security Agreement” means the security and pledge agreement, dated as of the Closing Date, executed in favor of the Administrative Agent for the benefit of the holders of the Obligations by each of the Loan Parties.

“Settlement” means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of business.

“Settlement Asset” means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

“Settlement Lien” means a Lien securing obligations arising under or related to any Settlement or Settlement Obligation that attaches to (a) Settlement Assets (including any assignment of Settlement Assets in consideration of Settlement Payments), (b) any intraday and overnight overdraft and automated clearing house exposure or asset specifically related to Settlement Assets, (c) loss reserve accounts specifically related to Settlement Assets, (d) merchant suspense funds specifically related to Settlement

Assets, or (e) rights under any BIN/ISO Agreement or fees paid or payable under any BIN/ISO Agreement.

“Settlement Obligations” means any payment or reimbursement obligation in respect of a Settlement Payment.

“Settlement Payment” means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

“Settlement Receivable” means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person.

“Solvent” or “Solvency” means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature in the ordinary course of business, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified Loan Party” has the meaning specified in Section 10.08.

“Subordinated Debt” means (a) the Existing Mezzanine Debt, (b) the Existing Subordinated Debt, and (c) any other unsecured Indebtedness of the Borrower and its Subsidiaries which have been subordinated in right of payment and priority to the Obligations, all on terms and conditions reasonably satisfactory to the Administrative Agent.

“Subordination Agreement” means (a) Article III of that certain Master Note Purchase Agreement dated February 14, 2014, by and among the Borrower and the holders of the Existing Subordinated Debt, (b) that certain Subordination Agreement, dated as of the Closing Date, among the Administrative Agent and the holders of the Existing Mezzanine Debt and (c) any other subordination agreement entered into by the Administrative Agent with respect to Subordinated Debt of the Borrower or any of its Subsidiaries.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap

transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Obligation” means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swingline Lender” means Bank of America in its capacity as provider of Swingline Loans, or any successor Swingline lender hereunder.

“Swingline Loan” has the meaning specified in Section 2.04(a).

“Swingline Loan Notice” means a notice of a Borrowing of Swingline Loans pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit 2.04 or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Swingline Sublimit” means an amount equal to the lesser of (a) \$5,000,000 and (b) the Aggregate Revolving Commitments. The Swingline Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan” has the meaning specified in Section 2.01(b) and includes any Incremental Term Loan increasing such Term Loan.

“Term Loan Commitment” means, as to each Lender, its obligation to make its portion of the Term Loan to the Borrower pursuant to Section 2.01(b), in the principal amount set forth opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is \$40,000,000.

“Threshold Amount” means \$5,000,000.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments of such Lender at such time, the outstanding Loans of such Lender at such time and such Lender’s participation in L/C Obligations and Swingline Loans at such time.

“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans, all Swingline Loans and all L/C Obligations.

“Type” means, with respect to any Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

“UCP” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce (“ICC”) Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

“United States” and “U.S.” mean the United States of America.

“Up-C Restructuring” means a transaction or series of related transactions in anticipation of a Qualifying IPO pursuant to which it is anticipated that: (i) the limited liability company agreement of the Borrower may be amended and restated to, among other things, modify the Borrower’s capital structure by replacing the different existing classes of outstanding Equity Interests with one or more new classes of Equity Interests, which may be voting or non-voting; (ii) a newly formed Delaware corporation (“HoldCo”) will conduct a Qualifying IPO; (iii) HoldCo and the Loan Parties will execute a joinder to this Agreement in form and substance to the reasonable satisfaction of the Administrative Agent, whereby HoldCo becomes a Guarantor hereunder, agrees to use proceeds of the Qualifying IPO as required by Section 2.05(b)(vi)(C) of this Agreement and becomes subject to the terms and conditions of this Agreement, with such ministerial amendments as are necessary to add HoldCo as a Guarantor as the Administrative Agent and Loan Parties may agree to; (iv) the Borrower will become a Subsidiary of HoldCo with HoldCo holding 100% of the Voting Stock of the Borrower and becoming the sole managing member of the Borrower following the Qualifying IPO; (v) outstanding Equity Interests of the Borrower retained by owners will be exchangeable into Equity Interests of HoldCo pursuant to the terms of an exchange agreement; (vi) holders of Equity Interests of the Borrower who remain owners of the Borrower following the Qualifying IPO may be issued one or more class of Voting Stock of HoldCo with no economic rights in a percentage corresponding to their percentage ownership of the Borrower; and (vii) the Borrower and/or HoldCo will enter into exchange rights, registration rights, tax receivable and other agreements with holders of the Borrower’s Equity Interests implementing the Up-C Restructuring, in each case subject to the consent of the Administrative Agent, such consent not to be unreasonably withheld, delayed or conditioned, and in the case of clauses (i) through (vii), with such variances in, and additions to, such terms and conditions as are necessary to accomplish the Up-C Restructuring and as the Administrative Agent may agree to, such consent not to be unreasonably withheld, delayed or conditioned.

“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(3).

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (and/or portion thereof) obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Loan Document or Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, Preliminary Statements of and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any Law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law or regulation shall, unless otherwise specified, refer to such Law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all assets and properties, tangible and intangible, real and personal, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Loan Parties and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Calculations. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenants in Section 7.11 (including for purposes of determining the Applicable Rate) shall be made on a Pro Forma Basis with respect to (i) any Disposition of all of the Equity Interests of, or all or substantially all of the assets of, a Subsidiary, (ii) any Disposition of a line of business or division of any Loan Party or Subsidiary, (iii) any Acquisition, or (iv) any Residual Buyout, in each case, occurring during the applicable period.

1.04 Rounding.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

1.06 Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Revolving Loans and Term Loan.

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein, provided, however, all Borrowings made on the Closing Date shall be made as Base Rate Loans.

(b) Term Loan. Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan") to the Borrower in Dollars on the Closing Date in an amount not to exceed such Lender's Term Loan Commitment. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Eurodollar Rate Loans, or a combination thereof, as further provided herein, provided, however, all Borrowings made on the Closing Date shall be made as Base Rate Loans.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone, or (B) a Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of,

conversion to or continuation of, Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, in connection with any conversion or continuation of the Term Loan, if less, the entire principal thereof then outstanding). Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, in connection with any conversion or continuation of the Term Loan, if less, the entire principal thereof then outstanding). Each Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date the Loan Notice with respect to a Borrowing of Revolving Loans is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of the Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders, and the Required Lenders may demand that any or all of the outstanding Eurodollar Rate Loans be converted immediately to Base Rate Loans.

(d) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten Interest Periods in effect.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent and such Lender.

(g) This Section 2.02 shall not apply to Swingline Loans.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower or any of its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Lenders (other than Defaulting Lenders) holding a majority of the Revolving Credit Exposure have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders that have Revolving Commitments have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of Law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than \$250,000;

(D) such Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to [Section 2.15\(b\)](#)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(F) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in [Article IX](#) with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in [Article IX](#) included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by fax transmission, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two (2) Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit");

provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the “Non-Extension Notice Date”) in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an “Honor Date”), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Lender’s Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Revolving Loans that are Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the Administrative Agent’s Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than

1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Revolving Loans that are Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender

(through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Loan Party or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) **Role of L/C Issuer.** Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight or time draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves, as determined by a final nonappealable judgment of a court of competent jurisdiction, were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight or time draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the

validity or sufficiency of any instrument transferring, endorsing or assigning or purporting to transfer, endorse or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”) message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer’s rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such Law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.15, with its Applicable Percentage a Letter of Credit fee (the “Letter of Credit Fee”) for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such

customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 Swingline Loans

(a) Swingline Facility. Subject to the terms and conditions set forth herein, the Swingline Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, may in its sole discretion make loans (each such loan, a "Swingline Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swingline Sublimit, notwithstanding the fact that such Swingline Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swingline Lender, may exceed the amount of such Lender's Revolving Commitment; provided, however, that (i) after giving effect to any Swingline Loan, (A) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments and (B) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, (ii) the Borrower shall not use the proceeds of any Swingline Loan to refinance any outstanding Swingline Loan and (iii) the Swingline Lender shall not be under any obligation to make any Swingline Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swingline Loan shall be a Base Rate Loan. Immediately upon the making of a Swingline Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a risk participation in such Swingline Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swingline Loan.

(b) Borrowing Procedures. Each Borrowing of Swingline Loans shall be made upon the Borrower's irrevocable notice to the Swingline Lender and the Administrative Agent, which may be given by (A) telephone or (B) by a Swingline Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swingline Lender and the Administrative Agent of a Swingline Loan Notice. Each such Swingline Loan Notice must be received by the Swingline Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of \$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swingline Lender of any Swingline Loan Notice, the Swingline Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swingline Loan Notice and, if not, the Swingline Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swingline Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of

the proposed Borrowing of Swingline Loans (A) directing the Swingline Lender not to make such Swingline Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swingline Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swingline Loan Notice, make the amount of its Swingline Loan available to the Borrower.

(c) Refinancing of Swingline Loans.

(i) The Swingline Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swingline Lender to so request on its behalf), that each Lender make a Revolving Loan that is a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swingline Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 4.02. The Swingline Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swingline Loan) for the account of the Swingline Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swingline Lender.

(ii) If for any reason any Swingline Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Revolving Loans that are Base Rate Loans submitted by the Swingline Lender as set forth herein shall be deemed to be a request by the Swingline Lender that each of the Lenders fund its risk participation in the relevant Swingline Loan and each Lender's payment to the Administrative Agent for the account of the Swingline Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swingline Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or funded participation in the relevant Swingline

Loan, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swingline Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swingline Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swingline Loan, if the Swingline Lender receives any payment on account of such Swingline Loan, the Swingline Lender will distribute to such Lender its Applicable Percentage thereof in the same funds as those received by the Swingline Lender.

(ii) If any payment received by the Swingline Lender in respect of principal or interest on any Swingline Loan is required to be returned by the Swingline Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swingline Lender in its discretion), each Lender shall pay to the Swingline Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swingline Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the Borrower for interest on the Swingline Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swingline Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swingline Lender.

(f) Payments Directly to Swingline Lender. The Borrower shall make all payments of principal and interest in respect of the Swingline Loans directly to the Swingline Lender.

2.05 Prepayments.

(a) Voluntary Prepayments of Loans.

(i) Revolving Loans and Term Loan. The Borrower may, upon delivery of a Notice of Loan Prepayment to the Administrative Agent, at any time or from time to

time voluntarily prepay Revolving Loans and the Term Loan in whole or in part without premium or penalty; provided that, unless otherwise agreed by the Administrative Agent, (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (D) any prepayment of the Term Loan shall be applied to the remaining principal amortization payments in inverse order of maturity. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the applicable Lenders in accordance with their respective Applicable Percentages.

(ii) Swingline Loans. The Borrower may, upon notice to the Swingline Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swingline Loans in whole or in part without premium or penalty; provided that, unless otherwise agreed by the Swingline Lender, (i) such notice must be received by the Swingline Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Swingline Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or Swingline Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and Swingline Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect.

(ii) Dispositions and Recovery Events. The Borrower shall prepay the Loans and/or Cash Collateralize the L/C Obligations as hereafter provided in an aggregate amount equal to 100% of the Net Cash Proceeds received by any Loan Party

or any Subsidiary from all Dispositions (other than Permitted Transfers) and Recovery Events to the extent such Net Cash Proceeds are not reinvested in assets (excluding current assets as classified by GAAP) that are useful in the business of the Borrower and its Subsidiaries within 365 days of the date of such Disposition or Recovery Event (it being understood that such prepayment shall be due immediately upon the expiration of such reinvestment period to the extent not reinvested).

(iii) Debt Issuances. Immediately upon receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrower shall prepay the Loans and/or Cash Collateralize the L/C Obligations as hereafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds.

(iv) Equity Issuances. Immediately upon the receipt by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Equity Issuance, the Borrower shall prepay the Existing Subordinated Debt, Existing Mezzanine Debt, Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to 50% of such Net Cash Proceeds; provided that, in the case of the Qualifying IPO, the Loan Parties may prepay the Existing Subordinated Debt and the Existing Mezzanine Debt in an amount in excess of 50% of such Net Cash Proceeds to the extent necessary to repay in full the Existing Subordinated Debt and the Existing Mezzanine Debt.

(v) Extraordinary Receipts. Immediately upon the receipt by any Loan Party or any Subsidiary of any Extraordinary Receipts, the Borrower shall prepay the Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to 100% of such Extraordinary Receipts.

(vi) Application of Mandatory Prepayments. All amounts required to be paid pursuant to this Section 2.05(b) shall be applied as follows:

(A) with respect to all amounts prepaid pursuant to Section 2.05(b)(i), first, ratably to the L/C Borrowings and the Swingline Loans, second, to the outstanding Revolving Loans, and, third, to Cash Collateralize the remaining L/C Obligations;

(B) with respect to all amounts prepaid pursuant to Sections 2.05(b)(ii), (iii), and (v), first to the Term Loan (to the remaining principal amortization payments in inverse order of maturity including the final principal repayment installment on the Maturity Date), second, ratably to the L/C Borrowings and the Swingline Loans, third, to the outstanding Revolving Loans, and, fourth, to Cash Collateralize the remaining L/C Obligations (with a corresponding reduction in the Aggregate Revolving Commitments in the cases of clauses second through fourth); and

(C) with respect to all amounts prepaid pursuant to Section 2.05(b)(iv), first to the Existing Subordinated Debt, second, to the Existing Mezzanine Debt, third, to the Term Loan (to the remaining principal amortization payments in inverse order of maturity including the final principal repayment installment on the Maturity Date), fourth, ratably to the L/C Borrowings and the Swingline Loans, fifth, to the outstanding Revolving Loans, and, sixth, to Cash Collateralize the remaining L/C Obligations (with a corresponding reduction in

the Aggregate Revolving Commitments in the cases of clauses fourth through sixth).

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Aggregate Revolving Commitments.

The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments, the Letter of Credit Sublimit or the Swingline Sublimit, or from time to time permanently reduce the Aggregate Revolving Commitments, the Letter of Credit Sublimit or the Swingline Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments, (iv) the Borrower shall not terminate or reduce the Letter of Credit Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of the L/C Obligations would exceed the Letter of Credit Sublimit, (v) the Borrower shall not terminate or reduce the Swingline Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swingline Loans would exceed the Swingline Sublimit and (vi) if, after giving effect to any reduction of the Aggregate Revolving Commitments, the Letter of Credit Sublimit or the Swingline Sublimit exceeds the amount of the Aggregate Revolving Commitments, such sublimit shall be automatically reduced by the amount of such excess. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction. Any reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swingline Loans. The Borrower shall repay each Swingline Loan on the earlier to occur of (i) the date ten Business Days after such Swingline Loan is made and (ii) the Maturity Date.

(c) Term Loan. The Borrower shall repay the outstanding principal amount of the Term Loan in quarterly installments on the last day of each fiscal quarter, commencing on December 31, 2017, in an amount equal to \$1,250,000 (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05 and increased with respect to any increase to the Term Loan pursuant to Section 2.16), unless accelerated sooner pursuant to Section 8.02; provided, however, that (i) if any principal repayment installment to be made by the Borrower (other than principal repayment installments on Eurodollar Rate Loans) shall come due on a day other than a Business Day, such principal repayment installment shall be due on the next succeeding Business Day, and such extension of time shall be reflected in computing interest or

fees, as the case may be and (ii) if any principal repayment installment to be made by the Borrower on a Eurodollar Rate Loan shall come due on a day other than a Business Day, such principal repayment installment shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such principal repayment installment into another calendar month, in which event such principal repayment installment shall be due on the immediately preceding Business Day. On the Maturity Date the Borrower shall repay the outstanding principal amount of the Term Loan in full.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the sum of the Base Rate plus the Applicable Rate; and (iii) each Swingline Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the sum of the Base Rate plus the Applicable Rate. To the extent that any calculation of interest or any fee required to be paid under this Agreement shall be based on (or result in) a calculation that is less than zero, such calculation shall be deemed zero for purposes of this Agreement.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in clauses (b)(i) and (b)(ii) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of [Section 2.03](#):

(a) **Commitment Fee.** The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to the product of (i) the Applicable Rate times (ii) the actual daily amount by which the Aggregate Revolving Commitments exceed the sum of (y) the Outstanding Amount of Revolving Loans and (z) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swingline Loans shall not be counted towards or considered usage of the Aggregate Revolving Commitments for purposes of determining the commitment fee. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) **Other Fees.**

(i) The Borrower shall pay to the Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Senior Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Senior Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the

amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under this Agreement to the payment of any Obligations hereunder at the Default Rate or under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of the Aggregate Revolving Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall be in the form of Exhibit 2.11(a) (a "Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to Section 2.07(b) and as otherwise specifically provided for in this Agreement, if any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing, provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative

Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swingline Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swingline Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swingline Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) the application of Cash Collateral provided for in Section 2.14, or (C) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swingline Loans to any assignee or participant, other than an assignment to any Loan Party or any Subsidiary (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 2.05 or 8.02(c) or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(b) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided (other than Liens permitted under Section 7.01(m)), or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi))) or (ii) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swingline Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; fourth, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise as may be required under the Loan Documents in connection with any Lien conferred thereunder or directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(b). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (b) below, (y) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(b) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to Section 11.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(c) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (b) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(d) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(b)), whereupon such Lender will cease to be a Defaulting Lender; provided that no

adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.16 Incremental Facility Loans.

Subject to the terms and conditions set forth herein, the Borrower shall have the right, from time to time and upon at least ten Business Days' prior written notice to the Administrative Agent (an "Incremental Request"), to request to incur additional term loans under a then existing tranche and/or add one or more additional tranches of term loans ("Other Term Loans") and, together with any additional term loans under a then existing tranche incurred pursuant to this Section 2.16, the "Incremental Term Loans"; and any credit facility for providing for any Incremental Term Loans being referred to as an "Incremental Term Facility") and/or increase the Aggregate Revolving Commitments (the "Incremental Revolving Commitments"; and revolving loans made thereunder the "Incremental Revolving Loans"); the Incremental Revolving Loans, together with the Incremental Term Loans are referred to herein as the "Incremental Facility Loans") subject, however, in any such case, to satisfaction of the following conditions precedent:

(a) the aggregate amount of all Incremental Revolving Commitments and Incremental Term Loans effected pursuant to this Section 2.16 shall not exceed \$20,000,000;

(b) on the date on which any Incremental Facility Amendment is to become effective, both immediately prior to and immediately after giving effect to the incurrence of such Incremental Facility Loans (assuming that the full amount of the Incremental Facility Loans shall have been funded on such date) and any related transactions, no Default shall have occurred and be continuing;

(c) after giving effect to the incurrence of such Incremental Facility Loans (assuming the full amount of the Incremental Facility Loans have been funded) and any related transactions, on a Pro Forma Basis, the Loan Parties shall be in compliance with the financial covenants set forth in Section 7.11;

(d) the representations and warranties set forth in Article V shall be true and correct in all material respects (or if such representation and warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct) on and as of the date on which such Incremental Facility Amendment is to become effective, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or if such representation and warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct) as of such earlier date;

(e) such Incremental Facility Loans shall be in a minimum amount of \$5,000,000 and in integral multiples of \$1,000,000 in excess thereof (or such lesser amounts as agreed by the Administrative Agent);

(f) any Incremental Revolving Commitments shall be made on the same terms and provisions (other than upfront fees) as apply to the existing Revolving Commitments, including with respect to maturity date, interest rate and prepayment provisions, and shall not constitute a credit facility separate and apart from the existing revolving credit facility set forth in Section 2.01(a);

(g) any Incremental Term Loans that constitute additional term loans under a then existing tranche of term loans shall be made on the same terms and provisions (other than upfront fees) as apply to such outstanding term loans, including with respect to maturity date, interest rate and prepayment provisions, and shall not constitute a credit facility separate and apart from such term loans;

(h) in the case of any Other Term Loans, such Other Term Loans shall: (A) rank pari passu in right of payment priority with the existing term loans, (B) share ratably in rights in the Collateral and the Guaranty, (C) have a maturity date that is no earlier than the Maturity Date for the Term Loan, (D) have a Weighted Average Life to Maturity that is no shorter than the Weighted Average Life to Maturity of the Term Loan (it being understood that, subject to the foregoing, the amortization schedule applicable to such Incremental Term Loans shall be determined by the Borrower and the Lenders of such Incremental Term Loans) and (E) otherwise be on terms reasonably satisfactory to the Administrative Agent, provided that, such terms and documentation relating to such Other Term Loans shall be on terms not materially more onerous, taken as a whole, to the Borrower than the existing Term Loan (except to the extent permitted above with respect to the maturity date, amortization and interest rate and other than terms which are applicable only after the Maturity Date of the Term Loan);

(i) the Administrative Agent shall have received additional commitments in a corresponding amount of such requested Incremental Facility Loans from either existing Lenders and/or one or more other institutions that qualify as Eligible Assignees (it being understood and agreed that no existing Lender shall be required to provide an additional commitment); and

(j) the Administrative Agent shall have received customary closing certificates and legal opinions and all other documents (including resolutions of the board of directors of the Loan Parties) it may reasonably request relating to the corporate or other necessary authority for such Incremental Facility Loans and the validity of such Incremental Facility Loans, and any other matters relevant thereto, all in form and substance reasonably satisfactory to the Administrative Agent.

Each Incremental Term Facility and any Incremental Revolving Commitments shall be evidenced by an amendment (an "Incremental Facility Amendment") to this Agreement, giving effect to the modifications permitted by this Section 2.16 (and subject to the limitations set forth in the immediately preceding paragraph), executed by the Loan Parties, the Administrative Agent and each Lender providing a portion of the Incremental Term Facility and/or Incremental Revolving Commitments, as applicable; which such amendment, when so executed, shall amend this Agreement as provided therein. Each Incremental Facility Amendment shall also require such amendments to the Loan Documents, and such other new Loan Documents, as the Administrative Agent reasonably deems necessary or appropriate to effect the modifications and credit extensions permitted by this Section 2.16. Neither any Incremental Facility Amendment, nor any such amendments to the other Loan Documents or such other new Loan Documents, shall be required to be executed or approved by any Lender, other than the Lenders providing such Incremental Term Loans and/or Incremental Revolving Commitments, as applicable, and the Administrative Agent, in order to be effective. The effectiveness of any Incremental Facility Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth above and as such other conditions as requested by the Lenders under the Incremental Facility established in connection therewith.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications. (i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified

Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable, after any payment of Taxes by any Loan Party to a Governmental Authority as provided in this Section 3.01, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is

subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), 3.01(e)(ii)(B) and 3.01(e)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 3.01-A to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS

Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.01-B or Exhibit 3.01-C, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.01-D on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies (or originals, as required) of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this

Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to perform any of its obligations hereunder or to make, maintain or fund or charge interest with respect to any Credit Extension or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender, shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines that (A) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (B) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (i), “Impacted Loans”), or (ii) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this Section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a)(i) of this Section, (2) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit,

commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including eurocurrency funds or deposits (currently known as “Eurocurrency liabilities”), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least ten (10) days’ prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.05 Compensation for Losses.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or the L/C Issuer, as applicable, shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, as applicable, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the

case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.07 Survival.

All of the Loan Parties' obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations hereunder, resignation of the Administrative Agent and the Facility Termination Date.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension.

This Agreement shall become effective upon, and the obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to, the satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of the following, each in form and substance satisfactory to the Administrative Agent and each Lender:

(i) Loan Documents. Executed counterparts of this Agreement and the other Loan Documents, each properly executed by a Responsible Officer of the signing Loan Party and, in the case of this Agreement, by each Lender.

(ii) Opinions of Counsel. Favorable opinions of legal counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, dated as of the Closing Date.

(iii) Organization Documents, Resolutions, Etc.

(A) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the Closing Date;

(B) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party

as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party; and

(C) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(iv) Personal Property Collateral.

(A) UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's discretion, to perfect the Administrative Agent's security interest in the Collateral;

(B) all certificates evidencing any certificated Equity Interests pledged to the Administrative Agent pursuant to the Security Agreement, together with duly executed in blank, undated stock powers attached thereto (unless, with respect to the pledged Equity Interests of any Foreign Subsidiary, such stock powers are deemed unnecessary by the Administrative Agent in its reasonable discretion under the Law of the jurisdiction of organization of such Person); and

(C) duly executed notices of grant of security interest in the form required by the Security Agreement as are necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the United States registered intellectual property of the Loan Parties.

(v) Real Property Collateral. Real Property Security Documents with respect to the fee interest of any Loan Party in each real property identified as a "mortgaged property" on Schedule 5.20(a).

(vi) Evidence of Insurance. Subject to Section 6.16(c), copies of insurance policies or certificates of insurance of the Loan Parties evidencing liability and casualty insurance meeting the requirements set forth in the Loan Documents, including naming the Administrative Agent and its successors and assigns as additional insured (in the case of liability insurance) or loss payee (in the case of property insurance) on behalf of the Lenders.

(vii) Key Man Insurance. Subject to Section 7.18, (A) a copy of the Key Man Insurance in form and content reasonably satisfactory to the Administrative Agent and (B) the duly executed the Assignment of Key Man Insurance, in form and substance reasonably satisfactory to the Administrative Agent.

(viii) Closing Certificate. A certificate signed by a Responsible Officer of the Borrower (A) certifying that the conditions specified in Sections 4.02(a) and 4.02(b) have been satisfied and (B) attaching copies of the documentation for the Existing Mezzanine Debt and the Existing Subordinated Debt certified as true and complete by a Responsible Officer of the Borrower.

(b) Termination of Existing Credit Agreement. Receipt by the Administrative Agent of evidence that the Existing Credit Agreement has been repaid in full and terminated and all Liens thereunder have been released.

(c) Subordination Agreements. Receipt by the Administrative Agent of duly executed Subordination Agreements for the Existing Mezzanine Debt and the Existing Subordinated Debt, in each case, in form and substance satisfactory to the Administrative Agent.

(d) Fees. Receipt by the Administrative Agent, the Arranger and the Lenders of any fees required to be paid on or before the Closing Date.

(e) Attorney Costs. The Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions.

The obligation of each Lender and the L/C Issuer to honor any Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in this Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or if such representation and warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or if such representation and warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct) as of such earlier date.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer or the Swingline Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be

deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power.

Each Loan Party and each Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation (other than the Loan Documents) to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

5.03 Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document other than (a) those that have already been obtained and are in full force and effect and (b) filings to perfect the Liens created by the Collateral Documents.

5.04 Binding Effect.

Each Loan Document has been duly executed and delivered by each Loan Party that is party thereto. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is party thereto, enforceable against each such Loan Party that is a party thereto in accordance with its terms; except as enforceability may be limited by applicable Debtor Relief Laws or by equitable principles.

5.05 Financial Statements; No Material Adverse Effect.

(a) The financial statements delivered pursuant to Sections 6.01(a) and 6.01(b) (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein (subject, in the case of unaudited financial statements, to the absence of footnotes and to normal year-end audit adjustments); and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The Audited Financial Statements and the unaudited consolidated and consolidating financial statements of the Borrower and its Subsidiaries for the fiscal quarter ending June 30, 2017 (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby (subject, in the case of unaudited financial statements, to the absence of footnotes and to normal year-end audit adjustments); and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(c) From the date of the Audited Financial Statements to and including the Closing Date, there has been no Disposition or any Recovery Event of any material part of the business or property of the Loan Parties and their Subsidiaries, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material in relation to the consolidated financial condition of the Loan Parties and their Subsidiaries, taken as a whole, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.06 Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.07 No Default.

(a) No Loan Party nor any Subsidiary is in default under or with respect to any Contractual Obligation that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(b) No Default has occurred and is continuing.

5.08 Ownership of Property.

Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 Environmental Compliance.

(a) The Loan Parties and their Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Loan Parties have reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) None of the properties currently or formerly owned or operated by any Loan Party or any Subsidiary is listed or proposed for listing on the National Priorities List under CERCLA or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; there are no and (to the best knowledge of the Loan Parties) never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or any Subsidiary or, to the best of the knowledge of the Loan Parties, on any property formerly owned or operated by any Loan Party or any Subsidiary; there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or any Subsidiary; and Hazardous Materials have not been released, discharged or disposed of on any property currently or formerly owned or operated by any Loan Party or any Subsidiary.

(c) No Loan Party nor any Subsidiary is undertaking, and has not completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any Subsidiary have been disposed of in a manner not reasonably expected to result in material liability to any Loan Party or any Subsidiary.

5.10 Insurance.

(a) The properties of the Loan Parties and their Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates. The property and general liability insurance coverage of the Loan Parties and the Key Man Insurance, in each case, as in effect on the Closing Date is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 5.10.

(b) Each Loan Party and its Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent.

5.11 Taxes.

Each Loan Party and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party or any Subsidiary that would, if made, have a Material Adverse Effect. No Loan Party nor any Subsidiary is party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state Laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination letter or is subject to a favorable opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code, or an application for such a letter is currently being processed by the IRS. To the best knowledge of the Loan Parties, nothing has occurred that would reasonably be expected to prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and no Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan or Multiemployer Plan; (ii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Internal Revenue Code) is 60% or higher and no Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iii) no Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) no Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) The Borrower represents and warrants as of the Closing Date that the Borrower is not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified

by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

5.13 Subsidiaries.

Set forth on Schedule 5.13 is a complete and accurate list as of the Closing Date of each Subsidiary of any Loan Party, together with (i) jurisdiction of organization, (ii) number of shares of each class of Equity Interests outstanding, and (iii) number and percentage of outstanding shares of each class owned (directly or indirectly) by any Loan Party or any Subsidiary. The outstanding Equity Interests of each Subsidiary of any Loan Party are validly issued, fully paid and non-assessable.

5.14 Margin Regulations; Investment Company Act.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 7.01 or Section 7.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15 Disclosure.

Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other written information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under and at the time at which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed by the Responsible Officers of the Loan Parties to be reasonable at the time (it being understood that projected financial information is subject to significant uncertainties and contingencies, which may be beyond the Loan Parties' control, no representation is made by the Loan Parties that such projections will be realized, the actual results may differ from the projections and such differences may be material).

5.16 Compliance with Laws.

Each Loan Party and Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by

appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc.

Each Loan Party and each Subsidiary owns, or possesses the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, “IP Rights”) that are reasonably necessary for the operation of their respective businesses. Set forth on Schedule 5.17 is a list of (i) all IP Rights registered or pending registration with the United States Copyright Office or the United States Patent and Trademark Office that, as of the Closing Date, a Loan Party owns and (ii) all licenses of IP Rights registered with the United States Copyright Office or the United States Patent and Trademark Office as of the Closing Date. Except for such claims and infringements that could not reasonably be expected to have a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Loan Party know of any such claim, and, to the knowledge of the Responsible Officers of the Loan Parties, the use of any IP Rights by any Loan Party or any Subsidiary or the granting of a right or a license in respect of any IP Rights from any Loan Party or any Subsidiary does not infringe on the rights of any Person. As of the Closing Date, none of the IP Rights owned by any Loan Party is subject to any licensing agreement or similar arrangement except as set forth on Schedule 5.17.

5.18 Solvency.

The Borrower is Solvent, and the Loan Parties are Solvent on a consolidated basis.

5.19 Perfection of Security Interests in the Collateral.

The Collateral Documents create valid security interests in, and Liens on, the Collateral purported to be covered thereby, which security interests and Liens will be, upon the timely and proper filings, deliveries, notations and other actions contemplated by the Collateral Documents, perfected security interests and Liens (to the extent that such security interests and Liens can be perfected by such filings, deliveries, notations and other actions), prior to all other Liens other than Permitted Liens.

5.20 Business Locations; Taxpayer Identification Number.

Set forth on Schedule 5.20(a) is a list of all real property located in the United States that is owned or leased by any Loan Party as of the Closing Date. Set forth on Schedule 5.20(b) is the jurisdiction of organization, chief executive office, exact legal name, U.S. tax payer identification number and organizational identification number of each Loan Party as of the Closing Date. Except as set forth on Schedule 5.20(c), no Loan Party has during the five years preceding the Closing Date (i) changed its legal name, (ii) changed its state of formation or (iii) been party to a merger, consolidation or other change in structure. Set forth on Schedule 5.20(d) is a list of each deposit and investment account of each Loan Party as of the Closing Date.

5.21 OFAC.

None of the Loan Parties, nor any of their Subsidiaries, nor, to the knowledge of the Loan Parties and their Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC’s List of Specially Designated Nationals, HMT’s Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list

enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

5.22 Anti-Corruption Laws.

The Loan Parties and their Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

5.23 No EEA Financial Institution.

No Loan Party is an EEA Financial Institution.

ARTICLE VI

AFFIRMATIVE COVENANTS

Until the Facility Termination Date, each Loan Party shall and shall cause each Subsidiary to:

6.01 Financial Statements.

Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent:

(a) as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower (or, if earlier, 15 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), commencing with the fiscal year ending September 30, 2017, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; and

(b) as soon as available, but in any event within forty-five days after the end of each fiscal quarter of each fiscal year of the Borrower (or, if earlier, 5 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)), commencing with the fiscal quarter ending December 31, 2017, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by the chief executive officer, president, chief financial officer, senior vice president of finance, treasurer or controller of the Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the

Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

As to any information contained in materials furnished pursuant to Section 6.02(d), the Borrower shall not be separately required to furnish such information under Section 6.01(a) or 6.01(b), but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in Section 6.01(a) or 6.01(b) at the times specified therein.

6.02 Certificates; Other Information.

Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01(a), a certificate of its independent certified public accountants certifying such financial statements and stating that in making the examination necessary therefor no knowledge was obtained of any Default under the financial covenants set forth herein or, if any such Default shall exist, stating the nature and status of such event;

(b) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and 6.01(b), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller of the Borrower which shall include such supplements to Schedules 5.13, 5.17, 5.20(a), 5.20(b), 5.20(c) and 5.20(d), as are necessary such that, as supplemented, such Schedules would be accurate and complete as of the date of such Compliance Certificate (which delivery may, unless the Administrative Agent, or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes);

(c) not later than 30 days after the beginning of each calendar year of the Borrower, commencing with the calendar year beginning January 1, 2018, an annual business plan and budget of the Borrower and its Subsidiaries containing, among other things, pro forma financial statements for each quarter of such fiscal year;

(d) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the equityholders of any Loan Party or any Subsidiary, and copies of all annual, regular, periodic and special reports and registration statements which a Loan Party or any Subsidiary may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(e) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(f) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Loan Party or any Subsidiary pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section 6.02;

(g) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary; and

(h) promptly, such additional information regarding the business, financial or corporate affairs of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or 6.01(b) or Section 6.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent and each Lender (by facsimile or e-mail) of the posting of any such documents and provide to the Administrative Agent by e-mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or an Affiliate thereof may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or a substantially similar electronic transmission system (the "Platform") and (b) certain of the Lenders (each a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, any Affiliate thereof, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States federal and state securities Laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and any Affiliate thereof shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated as "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

6.03 Notices.

Promptly notify the Administrative Agent and each Lender of:

- (a) the occurrence of any Default.
- (b) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect.
- (c) the occurrence of any ERISA Event.
- (d) any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary, including any determination by the Borrower referred to in Section 2.10(b).
- (e) the occurrence of any Disposition, Recovery Event, Equity Issuance, Debt Issuance or Extraordinary Receipt, in each case, for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.05(b).

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Taxes.

Pay and discharge, as the same shall become due and payable, before the same shall become overdue, all federal and state and other material Taxes, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Loan Party or such Subsidiary.

6.05 Preservation of Existence, Etc.

- (a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05.
- (b) Preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05.
- (c) Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.
- (d) Preserve or renew all of its IP Rights, the non-preservation or non-renewal of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear, casualty losses and Recovery Events excepted.

(b) Make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Use the standard of care typical in the industry in the operation and maintenance of its material facilities.

6.07 Maintenance of Insurance.

(a) Maintain in full force and effect (i) insurance (including worker's compensation insurance, liability insurance, casualty insurance and business interruption insurance) with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where such Loan Party or such Subsidiary operates and (ii) insurance on the life of Greg Daily in the aggregate amount of no less than \$10,000,000 (the "Key Man Insurance").

(b) Without limiting the foregoing, (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent, (ii) furnish to the Administrative Agent evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Administrative Agent prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

(c) Cause (i) the Administrative Agent and its successors and assigns to be named as lender's loss payee or mortgagee, as its interest may appear, and/or additional insured with respect to any such insurance providing liability coverage or coverage in respect of any Collateral, and cause each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent, that it will give the Administrative Agent thirty days (or such lesser amount as the Administrative Agent may agree) prior written notice before any such policy or policies shall be altered or canceled and (ii) all of the Loan Parties' rights under the Key Man Insurance coverage to be subject to a collateral assignment in favor of the Administrative Agent.

6.08 Compliance with Laws.

Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records.

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions

and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be.

(b) Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

6.10 Inspection Rights.

(a) Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that (i) absent the existence of an Event of Default, Borrower shall be required to pay for only one such visit and/or inspection per fiscal year and (ii) when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice; desired; provided, further, that notwithstanding any provision of the Loan Documents, no Loan Party nor any Subsidiary shall be required to provide access to the Administrative Agent, any Lender, or any of its representatives or independent contractors to any record to the extent such inspection or access by such Person would (w) involve access to non-financial trade secrets or non-financial proprietary information, (x) be prohibited by Laws, (y) constitute a violation of any confidentiality agreement with any Person not an Affiliate of any Loan Party or any Subsidiary not entered into in contemplation of this Agreement or (z) constitute a breach of attorney-client privilege or constitutes attorney work product; provided that, in each case, the Borrower will advise the Administrative Agent that information is being withheld.

(b) If requested by the Administrative Agent in its reasonable discretion, permit the Administrative Agent, and its representatives, upon reasonable advance notice to the Borrower, to conduct an annual audit of the Collateral at the expense of the Borrower.

(c) If requested by the Administrative Agent in its reasonable discretion (exercised not more than once per fiscal year in the absence of an Event of Default), promptly deliver to the Administrative Agent (a) asset appraisal reports with respect to all of the real and personal property owned by the Loan Parties and their Subsidiaries, and (b) a written audit of the accounts receivable, inventory, payables, controls and systems of Loan Parties and their Subsidiaries.

6.11 Use of Proceeds.

Use the proceeds of the Credit Extensions (a) to finance working capital, capital expenditures and other lawful corporate purposes, (b) to finance Permitted Acquisitions, and (c) to refinance certain existing Indebtedness, provided that in no event shall the proceeds of the Credit Extensions be used in contravention of any Law or of any Loan Document.

6.12 ERISA Compliance.

Do, and cause each of its ERISA Affiliates to do, each of the following: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code

and other federal or state Law; (b) cause each Plan that is qualified under Section 401(a) of the Internal Revenue Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412, Section 430 or Section 431 of the Internal Revenue Code.

6.13 Additional Guarantors.

Within thirty days (or such later date as the Administrative Agent may agree in its sole discretion) after any Person becomes a Domestic Subsidiary (other than any Subsidiary that is (i) a non-wholly-owned Subsidiary to the extent that the Organization Documents or other customary agreements with other equityholders do not permit such Subsidiary to be a Guarantor or the minority equityholders thereof do not consent to such Subsidiary complying with this Section 6.13 after the Borrower uses commercially reasonable efforts to obtain such consent and (ii) an Immaterial Subsidiary), cause such Person to (a) become a Guarantor by executing and delivering to the Administrative Agent a Joinder Agreement or such other documents as the Administrative Agent shall reasonably deem appropriate for such purpose, and (b) upon the request of the Administrative Agent in its sole discretion, deliver to the Administrative Agent such Organization Documents, resolutions and favorable opinions of counsel, all in form, content and scope reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary contained here, upon the consummation of the Up-C Restructuring, the HoldCo shall be required to become a Guarantor in accordance with this Section 6.13.

6.14 Pledged Assets.

(a) Equity Interests. Cause (i) 100% of the issued and outstanding Equity Interests of each Domestic Subsidiary and (ii) 66% (or such greater percentage that, due to a change in an applicable Law after the Closing Date, (A) could not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's United States parent and (B) could not reasonably be expected to cause any material adverse tax consequences) of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary directly owned by any Loan Party to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent pursuant to the terms and conditions of the Collateral Documents, and, in connection with the foregoing, deliver to the Administrative Agent such other documentation as the Administrative Agent may request including, any filings and deliveries to perfect such Liens and favorable opinions of counsel all in form and substance reasonably satisfactory to the Administrative Agent.

(b) Other Property. Cause all property (other than Excluded Property) of each Loan Party to be subject at all times to first priority, perfected and, in the case of owned real property, title insured Liens in favor of the Administrative Agent to secure the Obligations pursuant to the Collateral Documents (subject to Permitted Liens) and, in connection with the foregoing, deliver to the Administrative Agent such other documentation as the Administrative Agent may request including filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions, Real Property Security Documents, landlord's waivers and favorable opinions of counsel to such Person, all in form, content and scope reasonably satisfactory to the Administrative Agent. With respect to real property (other than Excluded Property) acquired after the Closing Date, the Loan Parties shall have sixty days (or such later time as agreed by the Administrative Agent) to deliver Real Property Security Documents with respect thereto.

6.15 Anti-Corruption Laws.

Conduct its businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.16 Post-Closing Matters.

(a) To the extent not delivered on the Closing Date, within forty-five (45) days following the Closing Date (or such later date as the Administrative Agent may agree in its sole discretion), deliver to the Administrative Agent (i) a copy of the Key Man Insurance in form and content reasonably satisfactory to the Administrative Agent and (ii) the duly executed the Assignment of Key Man Insurance, in form and substance reasonably satisfactory to the Administrative Agent.

(b) Within forty-five (45) days following the Closing Date (or such later date as the Administrative Agent may agree in its sole discretion), cause any deposit account, disbursement account, investment account, cash management account, lockbox account or other account subject to a control agreement in connection with the Existing Mezzanine Debt to be subject to an account control agreement in form and substance reasonably satisfactory to the Administrative Agent.

(c) Within fifteen (15) days following the Closing Date (or such later date as the Administrative Agent may agree in its sole discretion), deliver to the Administrative Agent endorsements to any insurance providing liability coverage or coverage in respect of any Collateral in accordance with Section 6.07.

ARTICLE VII

NEGATIVE COVENANTS

Until the Facility Termination Date, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Closing Date and listed on Schedule 7.01 and any renewals or extensions thereof, provided that the property covered thereby is not increased;

(c) Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) Liens of carriers, warehousemen, mechanics, materialmen and repairmen or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently

conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance (including payment) of bids, trade contracts, licenses, leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 8.01(h);

(i) Liens securing Indebtedness permitted under Section 7.03(e); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (ii) such Liens attach to such property concurrently with or within ninety days after the acquisition thereof;

(j) leases or subleases granted to others not interfering in any material respect with the business of any Loan Party or any Subsidiary;

(k) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 7.02(a);

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(n) Liens on an insurance policy of any Loan Party or any Subsidiary and the identifiable cash proceeds thereof in favor of the issuer of such policy and securing Indebtedness permitted to finance the premiums of such policies;

(o) Liens for the benefit of a seller deemed to attach solely to cash earnest money deposits in connection with a letter of intent or acquisition agreement with respect to a Permitted Acquisition;

(p) Liens constituting the filing of UCC financing statements solely as a precautionary measure in connection with the consignment of goods;

(q) Liens securing Acquired Indebtedness permitted under Section 7.03(m), provided that (i) such Liens do not at any time encumber any property other than property of the Person

acquired in the applicable Permitted Acquisition at the time of such Permitted Acquisition and (ii) such Liens shall exist prior to the applicable Permitted Acquisition and shall not be incurred in anticipation of the applicable Permitted Acquisition;

- (r) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;
- (s) Settlement Liens; and
- (t) other Liens of a type not otherwise contemplated by this Section 7.01 that secure obligations in an aggregate amount not to exceed \$1,000,000.

7.02 **Investments.**

Make any Investments, except:

- (a) Investments held in the form of cash or Cash Equivalents;
- (b) Investments existing as of the Closing Date and set forth on Schedule 7.02;
- (c) Investments in any Person that is a Loan Party prior to giving effect to such Investment;
- (d) Investments by any Subsidiary that is not a Loan Party in any other Subsidiary that is not a Loan Party;
- (e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;
- (f) Guarantees permitted by Section 7.03;
- (g) Permitted Acquisitions;
- (h) Residual Buyouts, provided that if any Residual Buyout involves a payment of \$2,000,000 or more, prior to the consummation of any such transaction, the Borrower shall provide a Pro Forma Compliance Certificate to the Administrative Agent which demonstrates compliance with the covenants set forth in Section 7.11 immediately prior and after giving effect to such Residual Buyout;
- (i) Investments in an aggregate amount not to exceed \$2,000,000 acquired in connection with Permitted Acquisitions ("Acquired Investments"), provided that such Acquired Investments shall exist prior to the applicable Permitted Acquisition and shall not have been incurred in anticipation of the applicable Permitted Acquisitions;
- (j) earnest money required in connection with Permitted Acquisitions;
- (k) Investments in non-wholly owned Subsidiaries and joint ventures, in each case, which are not Loan Parties, in an aggregate amount (as of the date any such Investment is made) not to exceed 7.5% of Consolidated Total Assets of the Borrower and its Subsidiaries (determined

as of the last day for the most recently ended four fiscal quarter period for which financial statements have been delivered pursuant to Section 6.01(a) or 6.01(b)); and

(l) Investments of a nature not contemplated in the foregoing clauses in an amount not to exceed \$2,500,000 in the aggregate at any time outstanding.

7.03 **Indebtedness.**

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the Closing Date set forth on Schedule 7.03 (and renewals, refinancings and extensions thereof); provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, renewal or extension are no less favorable in any material respect to the Loan Parties and their Subsidiaries or the Lenders than the terms of the Indebtedness being refinanced, renewed or extended;

(c) intercompany Indebtedness permitted under Section 7.02; provided that in the case of Indebtedness owing by a Loan Party to a Foreign Subsidiary (i) such Indebtedness shall be subordinated prior to the Obligations in a manner and to an extent reasonably acceptable to the Administrative Agent and (ii) such Indebtedness shall not be prepaid unless no Default exists immediately prior to or after giving effect to such prepayment;

(d) obligations (contingent or otherwise) existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) purchase money Indebtedness (including obligations in respect of capital leases and Synthetic Lease Obligations) hereafter incurred to finance the purchase of fixed assets, and renewals, refinancings and extensions thereof, provided that (i) the aggregate outstanding principal amount of all such Indebtedness shall not exceed \$5,000,000 at any one time outstanding; and (ii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed;

(f) the Existing Mezzanine Debt in an aggregate principal amount not to exceed \$10,500,000;

(g) the Existing Subordinated Debt in an aggregate principal amount not to exceed \$16,108,000 and any refinancings and extensions thereof; provided, that (i) the amount of such Indebtedness is not increased at the time of such refinancing or extension, (ii) the material terms taken as a whole of such refinancing or extension are not materially less favorable in any material

respect to the Borrower and its Subsidiaries or the Lenders than the terms of the Existing Subordinated Debt, (iii) such refinanced or extended Indebtedness is not subject to any amortization payments or any mandatory prepayments or sinking fund payments (other than in connection with a change of control, asset sale or event of loss and customary acceleration rights after an event of default) in each case, prior to the date that is six (6) months after the latest Maturity Date, and (iv) such refinanced or extended Indebtedness shall not mature at any time on or prior to the date that is six (6) months after the latest Maturity Date;

(h) so long as (i) the Qualifying IPO has occurred and (ii) the Existing Mezzanine Debt and the Existing Subordinated Debt have been repaid in full and terminated, Subordinated Debt in an aggregate principal amount not to exceed \$25,000,000;

(i) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business or arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within ten days of incurrence;

(j) Indebtedness consisting of deferred purchase price obligations (including earnout obligations), indemnification obligations, adjustment of purchase price or similar obligations and guarantee obligations, in each case in connection with Acquisitions, dispositions of property and Investments and indemnification obligations arising under Contractual Obligations;

(k) Indebtedness incurred in connection with the financing of insurance premiums in the ordinary course of business in an aggregate amount at any time outstanding not to exceed the premiums owed under such policy;

(l) Indebtedness in respect of appeal, bid, performance or surety or similar bonds, workers' compensation claims and self-insurance obligations issued for the account of the Borrower or any Subsidiary in the ordinary course of business;

(m) Indebtedness of the type described in Section 7.03(e) above in an aggregate amount not to exceed \$5,000,000 outstanding at any one time acquired in Permitted Acquisitions ("Acquired Indebtedness"), provided that such Acquired Indebtedness shall exist prior to the applicable Permitted Acquisition and shall not have been incurred in anticipation of the applicable Permitted Acquisition;

(n) other unsecured Indebtedness in an aggregate principal amount not to exceed \$1,000,000 at any one time outstanding; and

(o) Guarantees with respect to Indebtedness permitted under this Section 7.03.

7.04 Fundamental Changes.

Merge, dissolve, liquidate or consolidate with or into another Person, (a) except that so long as no Default exists or would result therefrom, (i) the Borrower may merge or consolidate with any of its Subsidiaries provided that the Borrower is the continuing or surviving Person, (ii) any Subsidiary may merge or consolidate with any other Subsidiary provided that if a Loan Party is a party to such transaction, the continuing or surviving Person is a Loan Party, (iii) the Borrower or any Subsidiary may merge with any other Person in connection with a Permitted Acquisition provided that (x) if the Borrower is a party to such transaction, the Borrower is the continuing or surviving Person and (y) if a Loan Party is

a party to such transaction, such Loan Party is the surviving Person and (iv) any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up, as applicable, could not have a Material Adverse Effect and (b) the Loan Parties may consummate the Up-C Restructuring.

7.05 Dispositions.

Make any Disposition except:

- (a) Permitted Transfers; and
- (b) other Dispositions so long as (i) at least 75% of the consideration paid in connection therewith shall be cash or Cash Equivalents paid contemporaneously with consummation of the transaction and shall be in an amount not less than the fair market value (as reasonably determined in good faith by the Borrower) of the property disposed of, (ii) if such transaction is a Sale and Leaseback Transaction, such transaction is not prohibited by the terms of Section 7.15, (iii) such transaction does not involve the sale or other disposition of a minority Equity Interest in any Subsidiary, (iv) such transaction does not involve a sale or other disposition of receivables other than receivables owned by or attributable to other property concurrently being disposed of in a transaction otherwise permitted under this Section 7.05, (v) the Loan Parties would be in compliance with the financial covenants set forth in Section 7.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 6.01(a) or (b) after giving effect to such Disposition on a Pro Forma Basis, (vi) no Default shall exist or result therefrom, and (vii) the aggregate net book value of all of the assets sold or otherwise disposed of by the Loan Parties and their Subsidiaries in all such transactions occurring after the Closing Date shall not exceed \$5,000,000.

7.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

- (a) each Subsidiary may make Restricted Payments to Persons that own Equity Interests in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;
- (b) each Loan Party and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;
- (c) so long as no Default exists or would result therefrom, the Loan Parties may make loans, payments, dividends or distributions to permit or effect the repurchase of Equity Interests of the Borrower and HoldCo after an Up-C Restructuring from employees, officers, directors and consultants (or their spouses, children, heirs, estates or estate planning vehicles); provided, that (i) such payments, dividends or distributions shall not exceed \$1,500,000 in the aggregate during any fiscal year of the Borrower and (ii) the Loan Parties would be in compliance with the financial covenants set forth in Section 7.11 recomputed as of the end of the period of the four fiscal quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 6.01(a) or (b) after giving effect to such Restricted Payment on a Pro Forma Basis;

(d) Permitted Tax Distributions; provided that (i) the amount of such Permitted Tax Distributions shall not exceed in the aggregate the product of (x) the Borrower's total taxable income for such tax year to the date of such a distribution determined without regard to any basis adjustment to a member arising under Section 743(b) of the Internal Revenue Code, multiplied by (y) the sum of (A) the maximum marginal federal income tax rate applicable to individuals for such tax year (after giving effect to the deductibility of state income taxes), (B) the highest marginal state income tax rate applicable to any member of the Borrower for such tax year and (C) the tax rate imposed by Section 1411 of the Internal Revenue Code applicable to any member of the Borrower for such tax year, (ii) such Permitted Tax Distributions shall be paid (if at all) on or about the respective dates for payment of estimated tax payments by the members of the Borrower, and (iii) at least two (2) Business Days prior to issuing any Permitted Tax Distribution, the Borrower shall deliver to the Administrative Agent a written notice of intended distribution and information sufficient that the Administrative Agent may review the amount and basis of any proposed distribution before it is paid (and, in the absence of an objection that such distribution is not a Permitted Tax Distribution from the Administrative Agent by the proposed payment date, the distribution may be paid as proposed); provided, further, if the financial results of the Borrower are retroactively revised such that the Permitted Tax Distributions made with respect to a previous fiscal year exceeded that which should have been paid if the accurate results had then been applied, the Administrative Agent may require that the excess distributions be withheld from subsequent Permitted Tax Distributions; and

(e) so long as no Default exists immediately prior and after giving effect thereto, the Borrower or HoldCo after a Qualifying IPO may make other Restricted Payments in an aggregate amount not to exceed 5% of the Net Cash Proceeds received from any common Equity Issuance of the Borrower HoldCo after a Qualifying IPO (determined as of the end of the most recently ended fiscal quarter prior to the making of such Restricted Payment).

7.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Loan Parties and their Subsidiaries on the Closing Date or any business reasonably complementary, related or incidental thereto.

7.08 Transactions with Affiliates.

Enter into or permit to exist any transaction or series of transactions with any Affiliate of such Person, whether or not in the ordinary course of business, other than (a) advances of working capital to any Loan Party, (b) transfers of cash and assets to any Loan Party, (c) intercompany transactions expressly permitted by Section 7.02, Section 7.03, Section 7.04, Section 7.05 or Section 7.06, (d) normal and reasonable compensation and reimbursement of expenses of officers and directors and (e) except as otherwise specifically limited in this Agreement, other transactions which are on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arm's length transaction with a Person other than an Affiliate.

7.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation (except for the Loan Documents) that (a) encumbers or restricts the ability of any such Person to (i) make Restricted Payments to any Loan Party, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) transfer any of its property to any Loan Party, (v) pledge its property pursuant to the Loan Documents or (vi) act as a Loan Party pursuant to the Loan Documents, except (in respect of

any of the matters referred to in clauses (i) through (v) above) for (1) this Agreement and the other Loan Documents, (2) the documents evidencing the Existing Mezzanine Debt, (3) any document or instrument governing Indebtedness incurred pursuant to Section 7.03(e), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (4) any agreement in effect at the time any Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Borrower, or (5) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 7.05 pending the consummation of such sale, or (b) requires the grant of any security for any obligation if such property is given as security for the Obligations.

7.10 Use of Proceeds.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Consolidated Senior Leverage Ratio. Permit the Consolidated Senior Leverage Ratio as of the end of any fiscal quarter of the Borrower set forth below to be greater than the ratio corresponding to such fiscal quarter:

Calendar Year	March 31	June 30	September 30	December 31
2017	N/A	N/A	N/A	3.50 to 1.0
2018	3.50 to 1.0	3.50 to 1.0	3.50 to 1.0	3.25 to 1.0
2019	3.25 to 1.0	3.25 to 1.0	3.25 to 1.0	3.25 to 1.0
2020	3.25 to 1.0	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0
thereafter	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0	3.00 to 1.0

; provided, that for each of the four (4) fiscal quarters immediately following a Qualified Acquisition, commencing with the fiscal quarter in which such Qualified Acquisition was consummated (such period of increase, the "Leverage Increase Period"), the required ratio set forth above shall be increased by up to 0.25; provided, further that (i) there shall be no more than three Leverage Increase Periods during the term of this Agreement, (ii) there shall be no more than one Leverage Increase Period in effect at any time, (iii) the maximum Consolidated Senior Leverage Ratio shall revert to the then-permitted ratio (without giving effect to such increase) for at least two (2) fiscal quarters before a new Leverage Increase Period may be invoked.

Notwithstanding the foregoing, upon the repayment in full of the Existing Subordinated Debt and the Existing Mezzanine Debt, the maximum Consolidated Senior Leverage Ratio permitted shall be increased by 0.25x; provided that such determination shall be made without giving effect to any increase in the permitted Consolidated Senior Leverage Ratio during a Leverage Increase Period.

Notwithstanding anything to the contrary contained in this Section 7.11(a), in no event shall the Consolidated Senior Leverage Ratio exceed 3.75 to 1.0.

(b) Consolidated Total Leverage Ratio. Permit the Consolidated Total Leverage Ratio as of the end of any fiscal quarter of the Borrower set forth below to be greater than the ratio corresponding to such fiscal quarter:

Calendar Year	March 31	June 30	September 30	December 31
2017	N/A	N/A	N/A	4.50 to 1.0
2018	4.50 to 1.0	4.50 to 1.0	4.50 to 1.0	4.25 to 1.0
2019	4.25 to 1.0	4.25 to 1.0	4.25 to 1.0	4.25 to 1.0
2020	4.25 to 1.0	4.00 to 1.0	4.00 to 1.0	4.00 to 1.0
thereafter	4.00 to 1.0	4.00 to 1.0	4.00 to 1.0	4.00 to 1.0

; provided, that for the Leverage Increase Period, the required ratio set forth above shall be increased by up to 0.25; provided, further that (i) there shall be no more than three Leverage Increase Periods during the term of this Agreement, (ii) there shall be no more than one Leverage Increase Period in effect at any time, and (iii) the maximum Consolidated Total Leverage Ratio shall revert to the then-permitted ratio (without giving effect to such increase) for at least two (2) fiscal quarters before a new Leverage Increase Period may be invoked.

Notwithstanding the foregoing, upon the repayment in full of the Existing Mezzanine Debt and the Existing Subordinated Debt, the Consolidated Total Leverage Ratio shall cease to apply to the Borrower and its Subsidiaries.

(c) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 1.25 to 1.0.

7.12 Prepayment of Other Indebtedness, Etc.

(a) Amend or modify any of the terms of any Indebtedness of any Loan Party or any Subsidiary (other than Indebtedness arising under the Loan Documents, the Existing Mezzanine Debt or the Existing Subordinated Debt) if such amendment or modification would add or change any terms in a manner adverse to any Loan Party or any Subsidiary in any material respect, or shorten the final maturity or average life to maturity or require any payment to be made sooner than originally scheduled or increase the interest rate applicable thereto.

(b) Amend or modify any of the terms of the Existing Mezzanine Debt, the Existing Subordinated Debt or any other Subordinated Debt except to the extent such amendment is permitted by the applicable Subordination Agreement; provided, however, notwithstanding anything to the contrary herein, in any other Loan Document or in any applicable Subordination Agreement, the maturity date of the Existing Mezzanine Debt, the Existing Subordinated Debt or any other Subordinated Debt may be amended without the consent of the Required Lenders and/or the Administrative Agent to be a date that is at least 181 days after the Maturity Date.

(c) Make (or give any notice with respect thereto) any voluntary or optional payment or prepayment or redemption or acquisition for value of (including by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of any Indebtedness of any Loan Party or any Subsidiary (other than Indebtedness arising under the Loan Documents); provided, (i) commencing January 1, 2019, prior to the consummation of a Qualifying IPO, the Loan Parties may make payments with respect to the Existing Subordinated Debt so long as (A) no Default exists or would result

therefrom, (B) after giving effect thereto, (x) the Loan Parties would be in compliance with the financial covenants set forth in Section 7.11 on a Pro Forma Basis and (y) the Consolidated Total Leverage Ratio, determined on a Pro Forma Basis after giving effect to such payment, would be at least 0.50x less than the Consolidated Total Leverage Ratio then permitted by Section 7.11(b), (A) after giving effect thereto, the Loan Parties shall have at least \$25,000,000 of Liquidity, and (B) the aggregate amount paid during the term of this Agreement shall not exceed \$8,000,000, (ii) the Loan Parties may make payments with respect to the Existing Subordinated Debt and the Existing Mezzanine Debt in accordance with Section 2.05(b)(vi)(C), and (iii) the Loan Parties may make cash payments on the Mezzanine Debt after the fifth (5th) anniversary of the Closing Date in order to avoid the classification of the Mezzanine Debt as an “applicable high yield discount obligation” within the meaning of Section 163(i) of the Internal Revenue Code.

7.13 Organization Documents; Fiscal Year; Legal Name, State of Formation and Form of Entity.

(a) Amend, modify or change its Organization Documents in a manner adverse to the Lenders; provided, that for the avoidance of doubt, amendments to the Organization Documents of the Borrower in connection with the Up-C Restructuring shall be deemed not to be adverse to the Lenders, so long as, such amendments are acceptable to the Administrative Agent in its reasonable discretion.

(b) Change its fiscal year without the consent of the Administrative Agent (not to be unreasonably withheld conditioned or delayed).

(c) Without providing ten days prior written notice to the Administrative Agent (or such lesser period as the Administrative Agent may agree), change its name, state of formation or form of organization.

7.14 Ownership of Subsidiaries.

Notwithstanding any other provisions of this Agreement to the contrary, except to the extent permitted by Section 7.02 and pursuant to the Up-C Restructuring, (a) permit any Person (other than the Borrower or any wholly-owned Subsidiary) to own any Equity Interests of any Subsidiary except to qualify directors where required by applicable Law or to satisfy other requirements of applicable Law with respect to the ownership of Equity Interests of Foreign Subsidiaries, or (b) permit any Subsidiary to issue or have outstanding any shares of preferred Equity Interests.

7.15 Sale Leasebacks.

Enter into any Sale and Leaseback Transaction.

7.16 Anti-Corruption Laws.

Directly or indirectly use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 or other similar anti-corruption legislation in other jurisdictions.

7.17 Sanctions.

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension, or lend, contribute or otherwise make available such Credit Extension or the proceeds of any Credit Extension to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that,

at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, Swingline Lender, or otherwise) of Sanctions.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default.

Any of the following shall constitute an “Event of Default”:

(a) Non-Payment. Any Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) within three days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants.

(i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01 or 6.02 and such failure continues for five (5) days;

(ii) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.03(a), 6.05(a), 6.10 or 6.11 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (or if such representation and warranty is qualified by materiality or Material Adverse Effect, in any respect) when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to

repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which any Loan Party or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which any Loan Party or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of the claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect or ceases to give the Administrative Agent any material part of the Liens purported to be created thereby; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any

or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(k) Change of Control. There occurs any Change of Control.

(l) Invalidity of Subordination Provisions. Any Subordination Agreement shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Debt.

8.02 Remedies Upon Event of Default.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or at equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds.

After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.14 and 2.15, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to (a) payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, (b) payment of Obligations then owing under any Secured Hedge Agreements, (c) payment of Obligations then owing under any Secured Cash Management Agreements and (d) Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders, the L/C Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth payable to them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or such Guarantor's assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be (unless such Cash Management Bank or Hedge Bank is the Administrative Agent or an Affiliate thereof). Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX

ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and no Loan Party shall have rights as a third party

beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (in its capacities as a Lender, Swingline Lender (if applicable), potential Hedge Banks and potential Cash Management Banks) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article XI (including Section 11.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

9.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

9.03 Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(d) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or prospective Lender is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

Neither the Administrative Agent nor any of its Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the

Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the approval of the Borrower unless an Event of Default has occurred and is continuing (such approval not to be unreasonably withheld or delayed), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above, provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, subject to the approval of the Borrower unless an Event of Default has occurred and is continuing (such approval not to be unreasonably withheld or delayed), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring

or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in [Section 3.01\(g\)](#)) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and [Section 11.04](#) shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (B) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation by or removal of Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swingline Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to [Section 2.03\(c\)](#). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to [Section 2.04\(c\)](#). Upon the appointment by the Borrower of a successor L/C Issuer or Swingline Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swingline Lender, as applicable, (ii) the retiring L/C Issuer and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties

and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim; Credit Bidding.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h), 2.03(i), 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

The holders of the Obligations hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy

Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the holders thereof shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a)(i) through (a)(vi) of Section 11.01, and (iii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Lender or any acquisition vehicle to take any further action.

9.10 Collateral and Guaranty Matters.

Without limiting the provisions of Section 9.09, each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon the Facility Termination Date, (ii) that is sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document or any Recovery Event, or (iii) as approved in accordance with Section 11.01;

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i); and

(c) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty, pursuant to this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by

any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Secured Cash Management Agreements and Secured Hedge Agreements.

Except as otherwise expressly set forth herein, no Cash Management Bank or Hedge Bank that obtains the benefit of Section 8.03, the Guaranty or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case of the Facility Termination Date.

9.12 ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of

sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent or the Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Internal Revenue Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or the Arranger or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

(c) The Administrative Agent and the Arranger hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii)

may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE X

GUARANTY

10.01 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to each Lender, the L/C Issuer and each other holder of Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents or the other documents relating to the Obligations, the obligations of each Guarantor under this Agreement and the other Loan Documents shall not exceed an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under applicable Debtor Relief Laws.

10.02 Obligations Unconditional.

The obligations of the Guarantors under Section 10.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or other documents relating to the Obligations, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable Law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 10.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Loan Party for amounts paid under this Article X until such time as the Obligations have been paid in full and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by Law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents or other documents relating to the Obligations shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents or other documents relating to the Obligations shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any other holder of the Obligations as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any other holder of the Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other document relating to the Obligations, or against any other Person under any other guarantee of, or security for, any of the Obligations.

10.03 Reinstatement.

The obligations of each Guarantor under this Article X shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any Debtor Relief Law or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each other holder of the Obligations on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such holder of the Obligations in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law.

10.04 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 10.02 and through the exercise of rights of contribution pursuant to Section 10.06.

10.05 Remedies.

The Guarantors agree that, to the fullest extent permitted by Law, as between the Guarantors, on the one hand, and the Administrative Agent and the other holders of the Obligations, on the other hand, the Obligations may be declared to be forthwith due and payable as specified in Section 8.02 (and shall be deemed to have become automatically due and payable in the circumstances specified in Section 8.02) for purposes of Section 10.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person)

shall forthwith become due and payable by the Guarantors for purposes of [Section 10.01](#). The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the holders of the Obligations may exercise their remedies thereunder in accordance with the terms thereof.

10.06 Rights of Contribution.

The Guarantors hereby agree as among themselves that, if any Guarantor shall make an Excess Payment (as defined below), such Guarantor shall have a right of contribution from each other Guarantor in an amount equal to such other Guarantor's Contribution Share (as defined below) of such Excess Payment. The payment obligations of any Guarantor under this [Section 10.06](#) shall be subordinate and subject in right of payment to the Obligations until such time as the Obligations have been paid-in-full and the Commitments have terminated, and none of the Guarantors shall exercise any right or remedy under this [Section 10.06](#) against any other Guarantor until such Obligations have been paid-in-full and the Commitments have terminated. For purposes of this [Section 10.06](#), (a) "[Excess Payment](#)" shall mean the amount paid by any Guarantor in excess of its Ratable Share of any Obligations; (b) "[Ratable Share](#)" shall mean, for any Guarantor in respect of any payment of Obligations, the ratio (expressed as a percentage) as of the date of such payment of Obligations of (i) the amount by which the aggregate present fair salable value of all of its assets and properties exceeds the amount of all debts and liabilities of such Guarantor (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder) to (ii) the amount by which the aggregate present fair salable value of all assets and other properties of all of the Loan Parties exceeds the amount of all of the debts and liabilities (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of the Loan Parties hereunder) of the Loan Parties; provided, however, that, for purposes of calculating the Ratable Shares of the Guarantors in respect of any payment of Obligations, any Guarantor that became a Guarantor subsequent to the date of any such payment shall be deemed to have been a Guarantor on the date of such payment and the financial information for such Guarantor as of the date such Guarantor became a Guarantor shall be utilized for such Guarantor in connection with such payment; and (c) "[Contribution Share](#)" shall mean, for any Guarantor in respect of any Excess Payment made by any other Guarantor, the ratio (expressed as a percentage) as of the date of such Excess Payment of (i) the amount by which the aggregate present fair salable value of all of its assets and properties exceeds the amount of all debts and liabilities of such Guarantor (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder) to (ii) the amount by which the aggregate present fair salable value of all assets and other properties of the Loan Parties other than the maker of such Excess Payment exceeds the amount of all of the debts and liabilities (including contingent, subordinated, unmatured, and unliquidated liabilities, but excluding the obligations of the Loan Parties) of the Loan Parties other than the maker of such Excess Payment; provided, however, that, for purposes of calculating the Contribution Shares of the Guarantors in respect of any Excess Payment, any Guarantor that became a Guarantor subsequent to the date of any such Excess Payment shall be deemed to have been a Guarantor on the date of such Excess Payment and the financial information for such Guarantor as of the date such Guarantor became a Guarantor shall be utilized for such Guarantor in connection with such Excess Payment. This [Section 10.06](#) shall not be deemed to affect any right of subrogation, indemnity, reimbursement or contribution that any Guarantor may have under Law against the Borrower in respect of any payment of Obligations.

10.07 Guarantee of Payment; Continuing Guarantee.

The guarantee in this [Article X](#) is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to the Obligations whenever arising.

10.08 Keepwell.

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty in this Article X by any Loan Party that is not then an “eligible contract participant” under the Commodity Exchange Act (a “Specified Loan Party”) or the grant of a security interest under the Loan Documents by any such Specified Loan Party, in either case, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor’s obligations and undertakings under this Article X voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

Except as provided in Section 2.16 with respect to an Incremental Facility Amendment, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that

(a) no such amendment, waiver or consent shall:

(i) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent set forth in Section 4.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled reduction of the Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such amount; provided, however, that (A) only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay

interest or Letter of Credit Fees at the Default Rate and (B) an amendment to any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder shall not be deemed to be a reduction of the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or any fees or other amounts payable hereunder or under any other Loan Document;

(iv) change Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) change any provision of this Section 11.01(a) or the definition of "Required Lenders" without the written consent of each Lender directly and adversely affected thereby;

(vi) release all or substantially all of the Collateral without the written consent of each Lender whose Obligations are secured by such Collateral;

(vii) release the Borrower without the consent of each Lender, or, except in connection with a transaction permitted under Section 7.04 or Section 7.05, all or substantially all of the value of the Guaranty without the written consent of each Lender whose Obligations are guaranteed thereby, except to the extent such release is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone); or

(b) unless also signed by the L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it;

(c) unless also signed by the Swingline Lender, no amendment, waiver or consent shall affect the rights or duties of the Swingline Lender under this Agreement; and

(d) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document;

provided, further, that notwithstanding anything to the contrary herein, (i) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, (iii) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders, (iv) Incremental Facility Amendments may be effected in accordance with Section 2.16 and (v) ministerial amendments as are necessary to add HoldCo as a Guarantor may be effected in accordance with the definition of Up-C Restructuring.

No Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of such Defaulting Lender may not be increased or extended

without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects such Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding anything to the contrary herein, this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

Notwithstanding any provision herein to the contrary the Administrative Agent and the Borrower may amend, modify or supplement this Agreement or any other Loan Document to cure or correct administrative errors or omissions, any ambiguity, omission, defect or inconsistency or to effect administrative changes, and such amendment shall become effective without any further consent of any other party to such Loan Document so long as (i) such amendment, modification or supplement does not adversely affect the rights of any Lender or other holder of Obligations in any material respect and (ii) the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to any Loan Party, the Administrative Agent, the L/C Issuer or the Swingline Lender, to the address, facsimile number, e-mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number, e-mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication

(including e mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swingline Lender, the L/C Issuer or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses (x) are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party or (y) result from a claim brought by any Loan Party against such Agent Party for breach in bad faith of such Agent Party's obligations hereunder or under any other Loan Document, if such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuer and the Swingline Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swingline Lender. In addition, each Lender agrees to notify the Administrative Agent

from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities Laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic notices, Loan Notices, Letter of Credit Applications and Swingline Loan Notices) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document (including the imposition of the Default Rate) preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section

8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of one primary outside counsel for the Administrative Agent and of one special or one local counsel in each relevant jurisdiction for the Administrative Agent to the extent such special or local counsel is reasonably necessary) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out of pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out of pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of outside counsel for the Administrative Agent, any Lender or the L/C Issuer) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented fees, charges and disbursements of outside counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by a Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to a Loan Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims,

damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by any Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction, or (z) any dispute solely among the Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as Administrative Agent, L/C Issuer, Arranger or any similar role under this Agreement or any other Loan Document and other than any claims arising out of any act or omission of the Borrower or any of its Affiliates. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swingline Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposures of all Lenders at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from (x) the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction or (y) a claim brought by any Loan Party against such Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, the L/C Issuer and the Swingline Lender, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside

To the extent that any payment by or on behalf of any Loan Party is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swingline Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the related Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after

giving effect to such assignments) that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 in the case of any assignment in respect of a Revolving Commitment (and the related Revolving Loans thereunder) and \$1,000,000 in the case of any assignment in respect of the Term Loan unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's Loans and Commitments, and rights and obligations with respect thereto, assigned, except that this clause (ii) shall not (A) apply to the Swingline Lender's rights and obligations in respect of Swingline Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations in respect of its Revolving Commitment (and the related Revolving Loans thereunder) and its outstanding Term Loans on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any unfunded Term Loan Commitment or any Revolving Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the applicable facility subject to such assignment, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (2) any Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the L/C Issuer and the Swingline Lender shall be required for any assignment in respect of Revolving Loans and Revolving Commitments.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person), a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swingline Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 11.01(a) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any

Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swingline Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, (i) upon thirty days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty days' notice to the Borrower, resign as Swingline Lender. In the event of any such resignation as L/C Issuer or Swingline Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swingline Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swingline Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swingline Lender, (1) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swingline Lender, as the case may be, and (2) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

(g) Disqualified Institutions

(i) No assignment shall be made to any Person that was a Disqualified Institution as of the date (the "Trade Date") on which the applicable Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment as otherwise contemplated by this Section 11.06, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Institution

after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of “Disqualified Institution”), such assignee shall not retroactively be considered a Disqualified Institution. Any assignment in violation of this clause (g)(i) shall not be void, but the other provisions of this clause (g) shall apply.

(ii) If any assignment is made to any Disqualified Institution without the Borrower’s prior consent in violation of clause (i) above, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate any Revolving Commitment of such Disqualified Institution and repay all obligations of the Borrower owing to such Disqualified Institution in connection with such Revolving Commitment, (B) in the case of outstanding Term Loans held by Disqualified Institutions, prepay such Term Loans by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents and/or (C) require such Disqualified Institution to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in this Section 11.06), all of its interest, rights and obligations under this Agreement and the Loan Documents to an Eligible Assignee that shall assume such obligations at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and other the other Loan Documents; provided, that, (i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b), (ii) such assignment does not conflict with applicable Laws and (iii) in the case of clause (B), the Borrower shall not use the proceeds from any Loans to prepay Term Loans held by Disqualified Institutions.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws (“Plan of Reorganization”), each Disqualified Institution party hereto hereby agrees (1) not to vote on such Plan of Reorganization, (2) if such Disqualified Institution does vote on such Plan of Reorganization notwithstanding the restrictions in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be “designated” pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Plan of Reorganization in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3)

not to contest any request by any party for a determination by the Bankruptcy court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post Schedule 1.01 and any updates thereto from time to time (collectively, the “DQ List”) on the Platform, including that portion of the Platform that is designated for “public side” Lenders or (B) provide the DQ List to each Lender requesting the same.

11.07 Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, its auditors and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to become a Lender pursuant to Section 2.16 or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating any Loan Party or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, “Information” means all information received from a Loan Party or any Subsidiary relating to the Loan Parties or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by such Loan Party or any Subsidiary, provided that, in the case of information received from a Loan Party or any Subsidiary after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public

information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

The Loan Parties and their Affiliates agree that they will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Loan Documents without the prior written consent of the Administrative Agent, unless (and only to the extent that) the Loan Parties or such Affiliate is required to do so under law and then, in any event the Loan Parties or such Affiliate will consult with such Person before issuing such press release or other public disclosure.

The Loan Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Loan Parties.

11.08 Rights of Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, the L/C Issuer or such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Loan Party may be contingent or unmaturing or are owed to a branch or office or Affiliate of such Lender or the L/C Issuer different from the branch or office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary

prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness.

This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swingline Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders.

If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense

and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower or Lender accepting such assignment shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT

COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY 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 ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the

Loan Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arranger, and the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Administrative Agent, the Arranger, and the Lenders, on the other hand, (B) each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Loan Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arranger and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Arranger, nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arranger, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Arranger, nor any Lender has any obligation to disclose any of such interests to the Loan Parties and their respective Affiliates. To the fullest extent permitted by Law, each of the Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger, or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Electronic Execution of Assignments and Certain Other Documents.

The words "execute," "execution," "signed," "signature," and words of like import in any Loan Document or any other document to be signed in connection with this Agreement, any other document executed in connection herewith and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided further without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

11.18 USA PATRIOT Act Notice.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Loan Parties in accordance with the Act. The Loan Parties shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to

comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

11.19 Subordination of Intercompany Indebtedness.

Each Loan Party (a “Subordinating Loan Party”) agrees that the payment of all obligations and indebtedness, whether principal, interest, fees and other amounts and whether now owing or hereafter arising, owing to such Subordinating Loan Party by any other Loan Party is expressly subordinated to the payment in full in cash of the Obligations. If the Administrative Agent so requests, any such obligation or indebtedness shall be enforced and performance received by the Subordinating Loan Party as trustee for the holders of the Obligations and the proceeds thereof shall be paid over to the holders of the Obligations on account of the Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement or any other Loan Document. Without limitation of the foregoing, so long as no Default has occurred and is continuing, the Loan Parties may make and receive payments with respect to any such obligations and indebtedness, provided, that in the event that any Loan Party receives any payment of any such obligations and indebtedness at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Administrative Agent.

11.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Solely to the extent any Lender or L/C Issuer that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to be duly executed as of the date first written

BORROWER: I3 VERTICALS, LLC
a Delaware limited liability company
By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

GUARANTORS: I3 VERTICALS MANAGEMENT SERVICES, INC.,
a Delaware corporation
By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

CP-DBS, LLC, a Delaware limited liability company
CP-PS, LLC, a Delaware limited liability company
FAIRWAY PAYMENTS, LLC, a Virginia limited liability company
I3-AXIA, LLC, a Delaware limited liability company
I3-BP, LLC, a Delaware limited liability company
I3-CSC, LLC, a Delaware limited liability company
I3-EZPAY, LLC, a Delaware limited liability company
I3-INFIN, LLC, a Delaware limited liability company
I3-LL, LLC, a Delaware limited liability company
I3-PBS, LLC, a Delaware limited liability company
I3-RANDALL, LLC, a Delaware limited liability company
I3-RS, LLC, a Delaware limited liability company
I3-TS, LLC, a Delaware limited liability company

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

I3 VERTICALS, LLC
CREDIT AGREEMENT

AGENT: BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Christine Trotter
Name: Christine Trotter
Title: Assistant Vice President

I3 VERTICALS, LLC
CREDIT AGREEMENT

LENDERS: BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swingline Lender

By: /s/ Ryan Maples
Name: Ryan Maples
Title: Sr. Vice President

I3 VERTICALS, LLC
CREDIT AGREEMENT

FIFTH THIRD BANK,
as a Lender

By: /s/ Ross H. Florey
Name: Ross H. Florey
Title: Vice President, RM

I3 VERTICALS, LLC
CREDIT AGREEMENT

WELLS FARO BANK, N.A.,
as a Lender

By: /s/ Brian Buck
Name: Brian Buck
Title: Managing Director

I3 VERTICALS, LLC
CREDIT AGREEMENT

REGIONS BANK,
as a Lender

By: /s/ Kyle Husted
Name: Kyle Husted
Title: Vice President

I3 VERTICALS, LLC
CREDIT AGREEMENT

FIRST BANK,
as a Lender

By: /s/ Carlos M. Murgas
Name: Carlos M. Murgas
Title: SVP

I3 VERTICALS, LLC
CREDIT AGREEMENT

PINNACLE BANK,
as a Lender

By: /s/ Frank Hammer
Name: Frank Hammer
Title: SVP

I3 VERTICALS, LLC
CREDIT AGREEMENT

CAPSTAR BANK,
as a Lender

By: /s/ Brad Greer
Name: Brad Greer
Title: Executive Vice President

I3 VERTICALS, LLC
CREDIT AGREEMENT

FRANKLIN SYNERGY BANK,
as a Lender

By: /s/ David Forshee
Name: David Forshee
Title: SVP

I3 VERTICALS, LLC
CREDIT AGREEMENT

TENNESSEE BANK & TRUST,
as a Lender

By: /s/ Roddy L. Story Jr.
Name: Roddy L Story Jr.
Title: EVP

13 VERTICALS, LLC
CREDIT AGREEMENT

SCHEDULES

Schedule 1.01	Disqualified Institutions
Schedule 2.01	Commitments and Applicable Percentages
Schedule 5.10	Insurance
Schedule 5.13	Subsidiaries
Schedule 5.17	IP Rights
Schedule 5.20(a)	Locations of Real Property
Schedule 5.20(b)	Location of Chief Executive Office, Taxpayer Identification Number, Etc.
Schedule 5.20(c)	Changes in Legal Name, State of Formation and Structure
Schedule 5.20(d)	Deposit and Investment Accounts
Schedule 7.01	Liens Existing on the Closing Date
Schedule 7.02	Investments Existing on the Closing Date
Schedule 7.03	Indebtedness Existing on the Closing Date
Schedule 11.01	Certain Addresses for Notices

Schedule 1.01 - Disqualified Institutions

On file with the Administrative Agent.

Schedule 2.01 - Commitments and Applicable Percentages

On file with the Administrative Agent.

Schedule 5.10 - Insurance





See attached.

Schedule 5.13 - Subsidiaries

<u>Loan Party</u>	<u>Jurisdiction of Organization</u>	<u>Number of Shares of Each Class of Equity Interests Outstanding</u>	<u>Number and Percentage of Outstanding of Each Class Owned by any Loan Party or any Subsidiary</u>
i3 Verticals, LLC	Delaware	18,792,129 of Class A Shares 4,406,331 of Common Shares 6,528,850 of Class P Shares	N/A
i3 Verticals Management Services, Inc.	Delaware	1,000 shares of Common shares	100% owned by i3 Verticals, LLC
CP-PS, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
CP-DBS, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-RS, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-EZPay, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-LL, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-PBS, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-Infin, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-BP, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-Axia, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-Randall, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-CSC, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
i3-TS, LLC	Delaware	N/A	100% owned by i3 Verticals, LLC
Fairway Payments, LLC	Virginia	N/A	100% owned by i3 Verticals, LLC

Schedule 5.17 - IP Rights

Intellectual Property

Owner	Mark	Registration No.	Registration Date	Status
i3 Verticals, LLC	CP CHARGE PAYMENT (stylized) 	4748387	6/2/15	Registered
i3 Verticals, LLC	I3 VERTICALS	4924017	3/22/16	Registered
i3 Verticals, LLC	I3 VERTICALS (stylized) 	4924018	3/22/16	Registered
CP-DBS, LLC	PAYSCHOOLS	5099877	12/13/16	Registered
CP-DBS, LLC	PS	5112989	1/3/17	Registered
CP-DBS, LLC	PAYSCHOOLS	3303581	10/2/07	Registered
i3-AXIA, LLC	AXIA	4715698	4/7/15	Registered
i3-AXIA, LLC	AXIA PAYMENTS	5210528	5/23/17	Registered
i3-BP, LLC	BILL&PAY (stylized) 	5085730	11/22/16	Registered
i3-EZPAY, LLC	SPS EZPAY SIMPLY PROGRESSIVE (stylized) 	5040044	9/13/16	Registered
i3-EZPAY, LLC	SPS EZPAY	5040043	9/13/16	Registered
i3-PBS, LLC	RUCHARITABLE	5085552	11/22/16	Registered
i3-PBS, LLC	RUPRACTICAL	5085551	11/22/2016	Registered
i3-PBS, LLC	PRACTICAL SOLUTIONS FOR PRACTICAL PEOPLE	5090036	11/29/2016	Registered
i3-RS, LLC	RENTSHARE	4045962	10/25/11	Registered

Schedule 5.20(a) - Locations of Real Property

The Loan Parties do not own any real property. However, the following table represents the property that each Loan Party leases.

<u>Loan Party</u>	<u>Location of Real Property</u>	<u>Name of Landlord</u>
I3 Verticals, LLC	40 Burton Hills Boulevard, Suite 415, Nashville, TN 37215	Burton Hills IV Investments, Inc.
I3 Verticals, LLC	2500 Cumberland Parkway, Atlanta, GA 30339	GPI Bayport, Ltd.
CP-DBS, LLC	12835 E. Arapahoe Road, Tower II, Suite 500, Centennial, CO 80112	Wyco Equities, Inc.
CP-DBS, LLC	4376 Kirby Avenue NE, Canton, OH, 44705	C. Esber and Carolyn M. Esber, Co-Trustees
I3-RS, LLC	60 Broad Street, Suite 2408, 24th Floor, New York, NY 10004	COWORKRS LLC
I3-PBS, LLC	Chamber Business Center, 2859 N. Susquehanna Trail, Shamokin Dam, PA, 17876	Greater Susquehanna Valley Chamber of Commerce, Inc.
I3-PBS, LLC	11101 S. Crown Way, Suite 1, Wellington, FL 33414	Wellington Land Development, LLC
I3-PBS, LLC	1118 N. Old Trail Selinsgrove, PA 17870	(Personal home of employee)
I3-Infin, LLC	4455 Carver Woods Drive, Suites 110 and 140, Cincinnati, OH 45242	Carver Woods 4455 LLC
I3-Infin, LLC	401 Frederica Street, Suite 201-A, Owensboro, KY 42301	Corporate Centre
I3-Axia, LLC	1933 Cliff Drive, Suite 12, Santa Barbara, CA 93109	1933 Cliff Drive Plaza Partners
I3-Axia, LLC	1311 Kapiolani Blvd, Suite 410, Honolulu, HI 96814	K.J.L. Associates
I3-Randall, LLC	28345 Beck Road, Suite 100, Wixom, MI 48393	Damas Management, LLC
Fairway Payments, LLC	300 N. Lee Street, Suite 500	Domar Properties, LLC

Schedule 5.20(b) - Location of Chief Executive Office, Taxpayer Identification Number, Etc.

<u>Legal Name of Loan Party</u>	<u>Jurisdiction of Organization</u>	<u>Chief Executive Office</u>	<u>U.S. Taxpayer Identification Number</u>	<u>Organizational Identification Number</u>
i3 Verticals, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3 Verticals Management Services, Inc.	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
CP-PS, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
CP-DBS, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-RS, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-EZPay, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-LL, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-PBS, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-Infin, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-BP, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-Axia, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-Randall, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-CSC, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
i3-TS, LLC	Delaware	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***
Fairway Payments, LLC	Virginia	40 Burton Hills Blvd, Suite 415, Nashville, TN 37215	***	***

Schedule 5.20(c) - Changes in Legal Name, State of Formation and Structure

<u>Loan Party</u>	<u>Changes in Legal Name</u>	<u>State of Formation</u>
i3 Verticals, LLC	Previously known as "Charge Payments, LLC" - name change effective December 2, 2014	DE
i3 Verticals Management Services, Inc.	N/A	DE
CP-PS, LLC	N/A	DE
CP-DBS, LLC	N/A	DE
i3-RS, LLC	N/A	DE
i3-EZPay, LLC	N/A	DE
i3-LL, LLC	N/A	DE
i3-PBS, LLC	N/A	DE
i3-Infin, LLC	N/A	DE
i3-BP, LLC	N/A	DE
i3-Axia, LLC	N/A	DE
i3-Randall, LLC	N/A	DE
i3-CSC, LLC	N/A	DE
i3-TS, LLC	N/A	DE
Fairway Payments, LLC	Previously known as "Fairway Payments, Inc." - conversion effective on or around July 28, 2017	VA

Schedule 5.20(d) - Deposit and Investment Accounts

<u>Loan Party</u>	<u>Bank Name</u>	<u>Account Name</u>	<u>Account Number</u>
i3 Verticals, LLC	First Bank	***	***
i3 Verticals, LLC	First Bank	***	***
CP-DBS, LLC	First Bank	***	***
CP-DBS, LLC	First Bank	***	***
CP-DBS, LLC	First Bank	***	***
CP-PS, LLC	First Bank	***	***
i3 Verticals, LLC	First Bank	***	***
i3 Verticals, LLC	First Bank	***	***
i3-Axia, LLC	First Bank	***	***
i3-BP, LLC	First Bank	***	***
i3-EZPay, LLC	First Bank	***	***
i3-EZPay, LLC	First Bank	***	***
i3-Infin, LLC	First Bank	***	***
i3-Infin, LLC	First Bank	***	***
i3-LL, LLC	First Bank	***	***
i3-PBS, LLC	First Bank	***	***
i3-Randall, LLC	First Bank	***	***
i3-RS, LLC	First Bank	***	***
i3 Verticals Management Services, Inc.	First Bank	***	***
i3 Verticals, LLC	First Bank	***	***
i3-CSC, LLC	First Bank	***	***

i3-TS, LLC	First Bank	***	***
i3 Verticals, LLC	Fifth Third	***	***
i3 Verticals, LLC	Bank of America	***	***
i3 Verticals, LLC	Bank of America	***	***
i3 Verticals, LLC	Bank of America	***	***
i3 Verticals, LLC	Bank of America	***	***
i3 Verticals, LLC	Bank of America	***	***
CP-DBS, LLC	JPMorgan Chase Bank	***	***
CP-DBS, LLC	JPMorgan Chase Bank	***	***
CP-DBS, LLC	JPMorgan Chase Bank	***	***
CP-DBS, LLC	JPMorgan Chase Bank	***	***
CP-DBS, LLC	JPMorgan Chase Bank	***	***
Fairway Payments, LLC	Access National Bank	***	***

Schedule 7.01 - Liens Existing on the Closing Date

None.

Schedule 7.02 - Investments Existing on the Closing Date

i3 Verticals, LLC invested \$100,000 in Axia Technologies, LLC in connection with the closing of the Asset Purchase Agreement dated as of April 29, 2016, by and among i3-Axia, LLC, Axia Holdings, Inc., Axia Payments, Inc., the Clark Living Trust, Randal Clark, Amy Clark, and i3 Verticals, LLC for an 8% equity stake in Axia Technologies, LLC.

Schedule 7.03 – Indebtedness Existing on the Closing Date

None.

Schedule 11.02 - Certain Addresses for Notices

To any Loan Party:

i3 Verticals, LLC
40 Burton Hills Boulevard, Suite 415
Nashville, TN 37215

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

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attention: Gerald Mace

To the Administrative Agent:

Bank of America, N.A.
135 S. LaSalle Street
Mail Code IL4-135-09-61
Chicago, IL 60603
Attention: Christine Trotter

To the L/C Issuer:

Bank of America, N.A.
1 Fleet Way
Mail Code PA6-580-02-30
Scranton, PA 18507
Attention: Charles Herron

To the Swingline Lender:

Bank of America, N.A.
901 Main Street
Mail Code TX1-492-14-11
Dallas, TX 75202-3735
Attention: Joel Ragsdale

Exhibit 1.01

FORM OF SECURED PARTY DESIGNATION NOTICE

Date: _____, _____

To: Bank of America, N.A.,
as Administrative Agent
Agency Management
[address
Attn:]

Ladies and Gentlemen:

THIS SECURED PARTY DESIGNATION NOTICE is made by _____, a _____ (the "Designor"), to BANK OF AMERICA, N.A., as Administrative Agent under that certain Credit Agreement referenced below (in such capacity, the "Administrative Agent"). All capitalized terms not defined herein shall have the meaning ascribed to them in the Credit Agreement.

WITNESSETH:

WHEREAS, i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent have entered into that certain Credit Agreement, dated as of October 30, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") pursuant to which certain loans and financial accommodations have been made to the Borrower;

WHEREAS, in connection with the Credit Agreement, a Lender or Affiliate of a Lender is permitted to designate its [Cash Management Agreement][Swap Contract] as a ["Secured Cash Management Agreement"]["Secured Hedge Agreement"] under the Credit Agreement and the Collateral Documents;

WHEREAS, the Credit Agreement requires that the Designor deliver this Secured Party Designation Notice to the Administrative Agent; and

WHEREAS, the Designor has agreed to execute and deliver this Secured Party Designation Notice:

1. Designation. Designor hereby designates the [Cash Management Agreement][Swap Contract] described on Schedule 1 hereto to be a ["Secured Cash Management Agreement"]["Secured Hedge Agreement"] and hereby represents and warrants to the Administrative Agent that such [Cash Management Agreement][Swap Contract] satisfies all the requirements under the Loan Documents to be so designated. By executing and delivering this Secured Party Designation Notice, the Designor, as provided in the Credit Agreement, hereby agrees to be bound by all of the provisions of the Loan Documents which are applicable to it as a provider of a [Secured Cash Management Agreement][Secured Hedge Agreement] and hereby (a) confirms that it has received a copy of the Loan Documents and such other documents and information as it has deemed appropriate to make its own decision to enter into this Secured Party Designation Notice, (b) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto (including, without limitation, the provisions of Section 9.01 of the Credit Agreement), and (c) agrees that

it will be bound by the provisions of the Loan Documents and will perform in accordance with its terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a provider of a [Cash Management Agreement][Swap Contract]. Without limiting the foregoing, the Designor agrees to indemnify the Administrative Agent as contemplated by Section 11.04(b) of the Credit Agreement.

2. **GOVERNING LAW.** THIS SECURED PARTY DESIGNATION NOTICE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Secured Party Designation Notice to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DESIGNOR:

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT:

By: _____
Name: _____
Title: _____

Schedule 1
To Secured Party Designation Notice

Exhibit 2.02

FORM OF LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of October 30, 2017 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined), among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The undersigned hereby requests (select one):

A Borrowing of [Revolving][Term] Loans

A conversion or continuation of [Revolving][Term] Loans

1. On _____ (a Business Day).
2. In the amount of \$ _____ .
3. Comprised of _____ .
[Type of Loan requested]
4. For Eurodollar Rate Loans: with an Interest Period of ____ months

[With respect to such Borrowing, the Borrower hereby represents and warrants that (i) such request complies with the requirements of Section 2.01 of the Credit Agreement and (ii) each of the conditions set forth in Section 4.02 of the Credit Agreement have been satisfied on and as of the date of such Borrowing.]¹

[signature page follows]

¹ Include for Borrowings.

i3 VERTICALS, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Exhibit 2.04

FORM OF SWING LINE LOAN NOTICE

Date: _____, 20__

To: Bank of America, N.A., as Swing Line Lender

Cc: Bank of America, N.A., as Administrative Agent

Re: Credit Agreement (as amended, modified, supplemented and extended from time to time, the "Credit Agreement") dated as of October 30, 2017 by and among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent. Capitalized terms used but not otherwise defined herein have the meanings provided in the Credit Agreement.

Ladies and Gentlemen:

The undersigned hereby requests a Swing Line Loan:

1. On _____, 20__ (a Business Day).
2. In the amount of \$_____.

With respect to such Borrowing of Swing Line Loans, the Borrower hereby represents and warrants that (i) such request complies with the requirements of the first proviso to the first sentence of Section 2.04(a) of the Credit Agreement and (ii) each of the conditions set forth in Section 4.02 of the Credit Agreement have been satisfied on and as of the date of such Borrowing of Swing Line Loans.

[signature page follows]

i3 VERTICALS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Exhibit 2.05

FORM OF NOTICE OF LOAN PREPAYMENT

TO: Bank of America, N.A., as [Administrative Agent][Swing Line Lender]

RE: Credit Agreement, dated as of dated as of October 30, 2017 by and among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement)

DATE: [Date]

The Borrower hereby notifies the Administrative Agent that on _____² pursuant to the terms of Section 2.05 of the Credit Agreement, the Borrower intends to prepay/repay the following Loans as more specifically set forth below:

Optional prepayment of [Revolving][Term Loans] in the following amount(s):
 Eurodollar Rate Loans: \$ _____³
Applicable Interest Period: _____

Optional prepayment of Swing Line Loans in the following amount:
\$ _____⁵

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

[signature page follows]

² Specify date of such prepayment.

³ Any prepayment of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or if less, the entire principal amount thereof outstanding).

⁴ Any prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or if less, the entire principal amount thereof outstanding).

⁵ Any prepayment of Swing Line Loans shall be in a principal amount of \$100,000 or a whole multiple of \$100,000 in excess thereof (or if less, the entire principal amount thereof outstanding).

i3 VERTICALS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

FORM OF NOTE

_____, 20__

FOR VALUE RECEIVED, the undersigned (the "**Borrower**"), hereby promises to pay to _____ or registered assigns (the "**Lender**"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement, dated as of October 30, 2017 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "**Credit Agreement**;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in **Section 2.04(f)** of the Credit Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Credit Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[signature page follows]

i3 VERTICALS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Exhibit 3.01-A

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of October 30, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN (or W-8BEN-E, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____, 20____

Exhibit 3.01-B

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of October 30, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN (or W-8BEN-E, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name: _____

Title: _____

Date: _____, 20____

Exhibit 3.01-C

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of October 30, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN (or W-8BEN-E, as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN (or W-8BEN-E, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name: _____

Title: _____

Date: _____, 20____

Exhibit 3.01-D

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of October 30, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among i3 Verticals, LLC, a Delaware limited liability company (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN (or W-8BEN-E, as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN (or W-8BEN-E, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____, 20____

Exhibit 6.02

FORM OF COMPLIANCE CERTIFICATE

- Check for distribution to public and private side Lenders

For the fiscal [quarter][year] ended _____, 20__.

I, _____, [Title] of i3 Verticals, LLC, a Delaware limited liability company (the "Borrower") hereby certify that, to the best of my knowledge and belief, with respect to that certain Credit Agreement dated as of October 30, 2017 (as amended, modified, restated or supplemented from time to time, the "Credit Agreement"; all of the defined terms in the Credit Agreement are incorporated herein by reference) among the Borrower, the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent:

[Use following paragraph (a) for fiscal year-end financial statements]

- (a) The Borrower has delivered the year-end audited financial statements required by Section 6.01(a) of the Credit Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph (a) for fiscal quarter-end financial statements]

- (a) The Borrower has delivered the unaudited financial statements required by Section 6.01(b) of the Credit Agreement for the fiscal quarter of the Borrower ended as of the above date. Such consolidated financial statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

- (b) Since _____ (the date of the last similar certification, or, if none, the Closing Date) no Default or Event of Default has occurred under the Credit Agreement;

- (c) (select one):

- Attached hereto are such supplements to Schedules 5.13 (Subsidiaries), 5.17 (IP Rights), 5.20(a) (Locations of Real Property), 5.20(b) (Location of Chief Executive Office, Taxpayer Identification Number, Etc.), 5.20(c) (Changes in Legal Name, State of Formation and Structure) and 5.20(d) (Deposit and Investment Accounts) of the Credit Agreement, such that, as supplemented, such Schedules are accurate and complete as of the date hereof.

- No such supplements are required at this time.

Delivered herewith are detailed calculations demonstrating compliance by the Loan Parties with the financial covenants contained in Section 7.11 of the Credit Agreement as of the end of the fiscal period referred to above.

[signature page follows]

This _____ day of _____, 20__.

i3 VERTICALS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Attachment to Compliance Certificate

Computation of Financial Covenants

[to be provided]

Exhibit 6.13

FORM OF JOINDER AGREEMENT

THIS JOINDER AGREEMENT (the "Joinder Agreement"), dated as of _____, 20__, is by and between _____, a _____ (the "New Subsidiary"), and BANK OF AMERICA, N.A., in its capacity as Administrative Agent under that certain Credit Agreement (as it may be amended, modified, restated or supplemented from time to time, the "Credit Agreement"), dated as of October 30, 2017, by and among i3 Verticals, LLC, a Delaware limited liability company, (the "Borrower"), the Guarantors party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent. All of the defined terms in the Credit Agreement are incorporated herein by reference.

The Loan Parties are required by Section 6.13 of the Credit Agreement to cause the New Subsidiary to become a "Guarantor".

Accordingly, the New Subsidiary hereby agrees as follows with the Administrative Agent, for the benefit of the Lenders:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the New Subsidiary will be deemed to be a party to the Credit Agreement and a "Guarantor" for all purposes of the Credit Agreement, and shall have all of the obligations of a Guarantor thereunder as if it had executed the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions applicable to the Guarantors contained in the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the New Subsidiary hereby jointly and severally together with the other Guarantors, guarantees to each Lender and the Administrative Agent, as provided in Article X of the Credit Agreement, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof.

2. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the New Subsidiary will be deemed to be a party to the Security Agreement, and shall have all the obligations of an "Obligor" (as such term is defined in the Security Agreement) thereunder as if it had executed the Security Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Security Agreement. Without limiting generality of the foregoing terms of this paragraph 2, the New Subsidiary hereby grants to the Administrative Agent, for the benefit of the holders of the Secured Obligations (as such term is defined in Section 1 of the Security Agreement), a continuing security interest in, and a right of set off against any and all right, title and interest of the New Subsidiary in and to the Collateral (as such term is defined in Section 2 of the Security Agreement) of the New Subsidiary. The New Subsidiary hereby represents and warrants to the Administrative Agent, for the benefit of the holders of the Secured Obligations (as such term is defined in Section 1 of the Security Agreement), that:

(i) The New Subsidiary's chief executive office, tax payer identification number, organization identification number, and chief place of business are (and for the prior four months have been) located at the locations set forth on Schedule 1 attached hereto and the New Subsidiary keeps its books and records at such locations.

(ii) The location of all owned and leased real property of the New Subsidiary is as shown on Schedule 2 attached hereto.

(iii) The New Subsidiary's legal name and jurisdiction of organization is as shown in this Joinder Agreement and the New Subsidiary has not in the past four months changed its name,

been party to a merger, consolidation or other change in structure or used any tradename except as set forth in Schedule 3 attached hereto.

(iv) The patents, copyrights, and trademarks listed on Schedule 4 attached hereto constitute all of the registrations and applications for the patents, copyrights and trademarks owned by the New Subsidiary.

(v) The deposit accounts and investment accounts listed on Schedule 5 attached hereto constitute all of the deposit accounts and investment accounts owned by the New Subsidiary.

(vi) Schedule 6 attached hereto sets forth a complete and accurate list of (i) any Pledged Equity owned by the New Subsidiary that is required to be pledged and delivered to the Administrative Agent pursuant to the Security Agreement and (ii) any Instruments, Documents and Tangible Chattel Paper constituting Collateral owned by the New Subsidiary that are required to be pledged and delivered to the Administrative Agent pursuant to Section 4(a)(i) of the Security Agreement.

3. The address of the New Subsidiary for purposes of all notices and other communications is _____,
_____, Attention of _____ (Facsimile No. _____).

4. The New Subsidiary hereby waives acceptance by the Administrative Agent and the Lenders of the guaranty by the New Subsidiary under Article X of the Credit Agreement upon the execution of this Joinder Agreement by the New Subsidiary.

5. This Joinder Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

6. This Joinder Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

[signature page follows]

IN WITNESS WHEREOF, the New Subsidiary has caused this Joinder Agreement to be duly executed by its authorized officers, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____
Name:
Title:

Acknowledged and accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

Schedule 1
TO FORM OF JOINDER AGREEMENT

Chief Executive Office, Tax Identification Number, Organization Identification Number
and Chief Place of Business of Subsidiary

Schedule 2
TO FORM OF JOINDER AGREEMENT

Owned and Leased Real Property

Schedule 3
TO FORM OF JOINDER AGREEMENT

Tradenames

Schedule 4
TO FORM OF JOINDER AGREEMENT

Patents, Copyrights, and Trademarks

Schedule 5
TO FORM OF JOINDER AGREEMENT

Deposit and Investment Accounts

Schedule 6
TO FORM OF JOINDER AGREEMENT

Pledged Equity; Instruments; Documents; Tangible Chattel Paper

Exhibit 11.06(b)

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the respective facilities identified below (including, without limitation, [Letters of Credit, Guarantees and Swing Line Loans] included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- 1. Assignor: _____
[Assignor [is][is not] a Defaulting Lender.]
- 2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*]⁶]
- 3. Borrower: i3 Verticals, LLC
- 4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement
- 5. Credit Agreement: Credit Agreement dated as of October 30, 2017 among the Borrower, the Guarantors party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent
- 6. Assigned Interest:

Facility Assigned ⁷	Aggregate Amount of [Term Loan][Revolving] Commitment/Loans for	Amount of [Term Loan][Revolving] Commitment/ [Term	Percentage Assigned of [Term Loan][Revolving]
--------------------------------	---	--	---

⁶ Term Loan or Revolving Loans.

⁷ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. “Revolving Commitment,” “Term Loan Commitment,” etc.)

	all Lenders*	Loan][Revolving] Loans Assigned*	Commitment/ [Term Loan][Revolving] Loans ⁸
	\$	\$	%
	\$	\$	%
	\$	\$	%

[7. Trade Date: _____]⁹

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[signature page follows]

* Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁸ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁹ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and]¹⁰ Accepted:

BANK OF AMERICA, N.A. as
Administrative Agent

By _____
Title:

[Consented to:]¹¹

[BANK OF AMERICA, N.A., as L/C Issuer][and Swing Line Lender]

By _____
Title:

i3 VERTICALS, LLC,
a Delaware limited liability company

By _____
Title:

¹⁰ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

¹¹ To be added only if the consent of the Borrower and/or other parties (e.g. L/C Issuer) is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is **[not]** a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.06(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender. The Assignee represents and warrants as of the Effective Date that it is not (A) an employee benefit plan subject to Title I of ERISA, (B) a plan or account subject to Section 4975 of the Internal Revenue Code, (C) an entity deemed to hold "plan assets" of any such plans or accounts for purposes of ERISA or the Internal Revenue Code, or (D) a "governmental plan" within the meaning of ERISA.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the

Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Exhibit 11.06(b)(iv)

FORM OF ADMINISTRATIVE QUESTIONNAIRE

(See attached.)

SECURITY AND PLEDGE AGREEMENT

THIS SECURITY AND PLEDGE AGREEMENT (this "Agreement") is entered into as of October 30, 2017 among i3 VERTICALS, LLC, a Delaware limited liability company (the "Borrower"), the other parties identified as "Obligors" on the signature pages hereto and such other parties that may become Obligors hereunder after the date hereof (together with the Borrower, individually an "Obligor", and collectively the "Obligors") and BANK OF AMERICA, N.A., in its capacity as administrative agent (in such capacity, the "Administrative Agent") for the holders of the Secured Obligations (defined below).

RECITALS

WHEREAS, pursuant to that certain Credit Agreement, dated as of the date hereof (as amended, modified, supplemented, increased, extended, restated, renewed, refinanced or replaced from time to time, the "Credit Agreement") among the Borrower, the Guarantors identified therein, the Lenders identified therein and the Administrative Agent, the Lenders have agreed to make Loans and issue Letters of Credit upon the terms and subject to the conditions set forth therein; and

WHEREAS, this Agreement is required by the terms of the Credit Agreement.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.**

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement, and the following terms shall have the meanings set forth in the UCC (defined below): Accession, Account, Adverse Claim, As-Extracted Collateral, Chattel Paper, Commercial Tort Claim, Consumer Goods, Deposit Account, Document, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, General Intangible, Goods, Instrument, Inventory, Investment Company Security, Investment Property, Letter-of-Credit Right, Manufactured Home, Money, Proceeds, Securities Account, Security Entitlement, Security, Software, Supporting Obligation and Tangible Chattel Paper.

(b) In addition, the following terms shall have the meanings set forth below:

"Collateral" has the meaning provided in Section 2 hereof.

"Copyright License" means any written agreement, naming any Obligor as licensor, granting any right under any Copyright.

"Copyrights" means (a) all registered United States copyrights in all Works, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Copyright Office, and (b) all renewals thereof.

"Patent License" means any agreement, whether written or oral, providing for the grant by or to an Obligor of any right to manufacture, use or sell any invention covered by a Patent.

"Patents" means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof.

"Pledged Equity" means, with respect to each Obligor, (i) 100% of the issued and outstanding Equity Interests of each Domestic Subsidiary of any Loan Party that is directly owned by such Obligor and (ii) 66% (or such greater percentage that, due to a change in an applicable Law after the date hereof, (A) could not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's United States parent and (B) could not reasonably be expected to cause any material adverse tax consequences) of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary of any Loan Party that is directly owned by such Obligor, including the Equity Interests of the Subsidiaries owned by such Obligor as set forth on Schedule 1(b), hereto, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

(1) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(2) in the event of any consolidation or merger involving the issuer thereof and in which such issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger, to the extent that such successor Person is a direct Subsidiary of an Obligor.

"Secured Obligations" means, without duplication, (a) all Obligations and (b) all costs and expenses incurred in connection with enforcement and collection of the Obligations, including the fees, charges and disbursements of counsel.

"Trademark License" means any agreement, written or oral, providing for the grant by or to an Obligor of any right to use any Trademark.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise and (b) all renewals thereof.

"UCC" means the Uniform Commercial Code as in effect from time to time in the state of New York except as such term may be used in connection with the perfection of the Collateral and then the applicable jurisdiction with respect to such affected Collateral shall apply.

"Work" means any work that is subject to copyright protection pursuant to Title 17 of the United States Code.

2. Grant of Security Interest in the Collateral. To secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Secured

Obligations, each Obligor hereby grants to the Administrative Agent, for the benefit of the holders of the Secured Obligations, a continuing security interest in, and a right to set off against, any and all right, title and interest of such Obligor in and to all of the following, whether now owned or existing or owned, acquired, or arising hereafter (collectively, the "Collateral"): (a) all Accounts; (b) all Chattel Paper; (c) those certain Commercial Tort Claims set forth on Schedule 2(c) hereto; (d) all Copyrights; (e) all Copyright Licenses; (f) all Deposit Accounts; (g) all Documents; (h) all Equipment; (i) all Fixtures; (j) all General Intangibles; (k) all Instruments; (l) all Inventory; (m) all Investment Property; (n) all Letter-of-Credit Rights; (o) all Money; (p) all Patents; (q) all Patent Licenses; (r) all Pledged Equity; (s) all Software; (t) all Supporting Obligations; (u) all Trademarks; (v) all Trademark Licenses; and (w) all Accessions and all Proceeds of any and all of the foregoing.

Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to any Excluded Property; provided that, upon the occurrence of an event that renders property to no longer constitute Excluded Property, a security interest in such property shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder.

The Obligors and the Administrative Agent, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest created hereby in the Collateral (i) constitutes continuing collateral security for all of the Secured Obligations, whether now existing or hereafter arising and (ii) is not to be construed as an assignment of any Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks or Trademark Licenses.

3. Representations and Warranties. Each Obligor hereby represents and warrants to the Administrative Agent, for the benefit of the holders of the Secured Obligations, that:

(a) Ownership. Each Obligor is the legal and beneficial owner of its Collateral and has the right to pledge, sell, assign or transfer the same. There exists no Adverse Claim with respect to the Pledged Equity of such Obligor.

(b) Security Interest/Priority. This Agreement creates a valid security interest in favor of the Administrative Agent, for the benefit of the holders of the Secured Obligations, in the Collateral of such Obligor and, when properly perfected by filing, shall constitute a valid and perfected, first priority security interest in such Collateral (including all uncertificated Pledged Equity consisting of partnership or limited liability company interests that do not constitute Securities), to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Permitted Liens. The taking possession by the Administrative Agent of the certificated securities (if any) evidencing the Pledged Equity and all other Instruments constituting Collateral will perfect and establish the first priority of the Administrative Agent's security interest in all the Pledged Equity evidenced by such certificated securities and such Instruments. With respect to any Collateral consisting of a Deposit Account, Securities Entitlement or held in a Securities Account, upon execution and delivery by the applicable Obligor, the applicable Securities Intermediary and the Administrative Agent of an agreement granting control to the Administrative Agent over such Collateral, the Administrative Agent shall have a valid and perfected, first priority security interest in such Collateral.

(c) Types of Collateral. None of the Collateral consists of, or is the Proceeds of, As-Extracted Collateral, Consumer Goods, Farm Products, Manufactured Homes or standing timber.

(d) Equipment and Inventory. With respect to any Equipment and/or Inventory of an Obligor, each such Obligor has exclusive possession and control of such Equipment and Inventory of such Obligor except for (i) Equipment leased by such Obligor as a lessee, (ii) Equipment or

Inventory in transit with common carriers, or (iii) Equipment absent for repair or refurbishment or absent for other bona fide business purposes. No Inventory of an Obligor is held by a Person other than an Obligor pursuant to consignment, sale or return, sale on approval or similar arrangement.

(e) Authorization of Pledged Equity. All Pledged Equity is duly authorized and validly issued, is fully paid and, to the extent applicable, nonassessable and is not subject to the preemptive rights of any Person.

(f) No Other Equity Interests, Instruments, Etc. As of the Closing Date, (i) no Obligor owns any certificated Equity Interests in any Subsidiary that are required to be pledged and delivered to the Administrative Agent hereunder except as set forth on Schedule 1(b) hereto, and (ii) no Obligor holds any Instruments, Documents or Tangible Chattel Paper required to be pledged and delivered to the Administrative Agent pursuant to Section 4(a)(i) of this Agreement other than as set forth on Schedule 3(g) hereto. All such certificated securities, Instruments, Documents and Tangible Chattel Paper have been delivered to the Administrative Agent.

(g) Partnership and Limited Liability Company Interests. Except as previously disclosed to the Administrative Agent, none of the Collateral consisting of an interest in a partnership or a limited liability company (i) is dealt in or traded on a securities exchange or in a securities market, (ii) by its terms expressly provides that it is a Security governed by Article 8 of the UCC, (iii) is an Investment Company Security, (iv) is held in a Securities Account or (v) constitutes a Security or a Financial Asset.

(h) Contracts; Agreements; Licenses. The Obligors have no material contracts, agreements or licenses which constitute Collateral which prevent the granting of a security interest therein.

(i) Consents; Etc. There are no restrictions in any Organization Document governing any Pledged Equity or any other document related thereto which would limit or restrict (i) the grant of a Lien pursuant to this Agreement on such Pledged Equity, (ii) the perfection of such Lien or (iii) the exercise of remedies in respect of such perfected Lien in the Pledged Equity as contemplated by this Agreement. Except for (i) the filing or recording of UCC financing statements, (ii) the filing of appropriate notices with the United States Patent and Trademark Office and the United States Copyright Office, (iii) obtaining control to perfect the Liens created by this Agreement (to the extent required under Section 4(a) hereof), (iv) such actions as may be required by Laws affecting the offering and sale of securities, (v) such actions as may be required by applicable foreign Laws affecting the pledge of the Pledged Equity of Foreign Subsidiaries and (vi) consents, authorizations, filings or other actions which have been obtained or made, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder, member or creditor of such Obligor), is required for (A) the grant by such Obligor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this Agreement by such Obligor, (B) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC, the granting of control (to the extent required under Section 4(a) hereof) or by filing an appropriate notice with the United States Patent and Trademark Office or the United States Copyright Office) or (C) the exercise by the Administrative Agent or the holders of the Secured Obligations of the rights and remedies provided for in this Agreement.

(j) Commercial Tort Claims. As of the Closing Date, no Obligor has any Commercial Tort Claims seeking damages in excess of \$100,000 other than as set forth on Schedule 2(c) hereto.

(k) Copyrights, Patents and Trademarks.

(i) To the best of each Obligor's knowledge, each Copyright, Patent and Trademark of such Obligor is valid, subsisting, unexpired, enforceable and has not been abandoned.

(ii) To the best of each Obligor's knowledge, no holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of any Copyright, Patent or Trademark of any Obligor.

(iii) No action or proceeding is pending seeking to limit, cancel or question the validity of any Copyright, Patent or Trademark of any Obligor, or that, if adversely determined, could reasonably be expected to have a material adverse effect on the value of any Copyright, Patent or Trademark of any Obligor.

(iv) All applications pertaining to the Copyrights, Patents and Trademarks of each Obligor have been duly and properly filed, and all registrations or letters pertaining to such Copyrights, Patents and Trademarks have been duly and properly filed and issued.

(v) No Obligor has made any assignment or agreement in conflict with the security interest in the Copyrights, Patents or Trademarks of any Obligor hereunder.

4. Covenants. Each Obligor covenants that until such time as the Secured Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated, such Obligor shall:

(a) Instruments/Chattel Paper/Pledged Equity/Control.

(i) If any amount in excess of \$100,000 payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Tangible Chattel Paper, or if any property constituting Collateral shall be stored or shipped subject to a Document, ensure that such Instrument, Tangible Chattel Paper or Document is either in the possession of such Obligor at all times or, if requested by the Administrative Agent to perfect its security interest in such Collateral, is delivered to the Administrative Agent duly endorsed in a manner satisfactory to the Administrative Agent. Such Obligor shall ensure that any Collateral consisting of Tangible Chattel Paper is marked with a legend acceptable to the Administrative Agent indicating the Administrative Agent's security interest in such Tangible Chattel Paper.

(ii) Deliver to the Administrative Agent promptly upon the receipt thereof by or on behalf of an Obligor, all certificates and instruments constituting Pledged Equity. Prior to delivery to the Administrative Agent, all such certificates constituting Pledged Equity shall be held in trust by such Obligor for the benefit of the Administrative Agent pursuant hereto. All such certificates representing Pledged Equity shall be delivered in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, substantially in the form provided in Exhibit 4(a)(ii) hereto.

(iii) Execute and deliver, and use commercially reasonable efforts to cause third parties (if necessary) to execute and deliver, all agreements, assignments, instruments or other documents as reasonably requested by the Administrative Agent for the purpose of obtaining and maintaining control with respect to any

Collateral consisting of (i) Deposit Accounts, (ii) Investment Property, (iii) Letter-of-Credit Rights and (iv) Electronic Chattel Paper.

(b) Filing of Financing Statements, Notices, etc. Each Obligor shall execute and deliver to the Administrative Agent such agreements, assignments or instruments (including affidavits, notices, reaffirmations and amendments and restatements of existing documents, as the Administrative Agent may reasonably request) and do all such other things as the Administrative Agent may reasonably deem necessary or appropriate (i) to assure to the Administrative Agent its security interests hereunder, including (A) such instruments as the Administrative Agent may from time to time reasonably request in order to perfect and maintain the security interests granted hereunder in accordance with the UCC, (B) with regard to Copyrights, a Notice of Grant of Security Interest in Copyrights for filing with the United States Copyright Office in the form of Exhibit 4(b)(i), (C) with regard to Patents, a Notice of Grant of Security Interest in Patents for filing with the United States Patent and Trademark Office in the form of Exhibit 4(b)(ii) hereto and (D) with regard to Trademarks, a Notice of Grant of Security Interest in Trademarks for filing with the United States Patent and Trademark Office in the form of Exhibit 4(b)(iii) hereto, (ii) to consummate the transactions contemplated hereby and (iii) to otherwise protect and assure the Administrative Agent of its rights and interests hereunder. Furthermore, each Obligor also hereby irrevocably makes, constitutes and appoints the Administrative Agent, its nominee or any other person whom the Administrative Agent may designate, as such Obligor's attorney in fact with full power and for the limited purpose to sign in the name of such Obligor any financing statements, or amendments and supplements to financing statements, renewal financing statements, notices or any similar documents which in the Administrative Agent's reasonable discretion would be necessary or appropriate in order to perfect and maintain perfection of the security interests granted hereunder, such power, being coupled with an interest, being and remaining irrevocable until such time as the Secured Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated. Each Obligor hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Administrative Agent without notice thereof to such Obligor wherever the Administrative Agent may in its sole discretion desire to file the same.

(c) Collateral Held by Warehouseman, Bailee, etc. If any Collateral is at any time in the possession or control of a warehouseman, bailee or any agent or processor of such Obligor and the Administrative Agent so requests (i) notify such Person in writing of the Administrative Agent's security interest therein, (ii) instruct such Person to hold all such Collateral for the Administrative Agent's account and subject to the Administrative Agent's instructions and (iii) use commercially reasonable efforts to obtain a written acknowledgment from such Person that it is holding such Collateral for the benefit of the Administrative Agent.

(d) Commercial Tort Claims. (i) Within ten (10) Business Days, promptly forward to the Administrative Agent an updated Schedule 2(c) listing any and all Commercial Tort Claims by or in favor of such Obligor seeking damages in excess of \$100,000 and (ii) execute and deliver such statements, documents and notices and do and cause to be done all such things as may be reasonably required by the Administrative Agent, or required by Law to create preserve, perfect and maintain the Administrative Agent's security interest in any Commercial Tort Claims initiated by or in favor of any Obligor.

(e) Books and Records. Mark its books and records (and shall cause the issuer of the Pledged Equity of such Obligor to mark its books and records) to reflect the security interest granted pursuant to this Agreement.

(f) Nature of Collateral. At all times maintain the Collateral as personal property and not affix any of the Collateral to any real property in a manner which would change its nature from personal property to real property or a Fixture to real property, unless the Administrative Agent shall have a perfected Lien on such Fixture or real property.

(g) Issuance or Acquisition of Equity Interests in Partnerships or Limited Liability Companies. Not without executing and delivering, or causing to be executed and delivered, to the Administrative Agent such agreements, documents and instruments as the Administrative Agent may reasonably require, issue or acquire any Pledged Equity consisting of an interest in a partnership or a limited liability company that (i) is dealt in or traded on a securities exchange or in a securities market, (ii) by its terms expressly provides that it is a Security governed by Article 8 of the UCC, (iii) is an investment company security, (iv) is held in a Securities Account or (v) constitutes a Security or a Financial Asset.

(h) Intellectual Property.

(i) Not do any act or omit to do any act whereby any material Copyright may become invalidated and (A) not do any act, or omit to do any act, whereby any material Copyright may become injected into the public domain; (B) notify the Administrative Agent immediately if it knows that any material Copyright may become injected into the public domain or of any materially adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any court or tribunal in the United States or any other country) regarding an Obligor's ownership of any such Copyright or its validity; (C) take all necessary steps as it shall deem appropriate under the circumstances, to maintain and pursue each application (and to obtain the relevant registration) of each material Copyright owned by an Obligor and to maintain each registration of each material Copyright owned by an Obligor including, without limitation, filing of applications for renewal where necessary; and (D) promptly notify the Administrative Agent of any material infringement of any material Copyright of an Obligor of which it becomes aware and take such actions as it shall reasonably deem appropriate under the circumstances to protect such Copyright, including, where appropriate, the bringing of suit for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement.

(ii) Not make any assignment or agreement in conflict with the security interest in the Copyrights of each Obligor hereunder (except as permitted by the Credit Agreement).

(iii) (A) Continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (B) maintain as in the past the quality of products and services offered under such Trademark, (C) employ such Trademark with the appropriate notice of registration, if applicable, (D) not adopt or use any mark that is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent, for the ratable benefit of the holders of the Secured Obligations, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (E) not (and not permit any licensee or sublicensee thereof to) do any act or omit to do any act whereby any such Trademark may become invalidated.

(iv) Not do any act, or omit to do any act, whereby any material Patent may become abandoned or dedicated.

(v) Notify the Administrative Agent and the holders of the Secured Obligations immediately if it knows that any application or registration relating to any material Patent or Trademark may become abandoned or dedicated, or of any materially adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding such Obligor ownership of any Patent or Trademark or its right to register the same or to keep and maintain the same.

(vi) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of each material Patent and Trademark, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(vii) Promptly notify the Administrative Agent and the holders of the Secured Obligations after it learns that any material Patent or Trademark included in the Collateral is infringed, misappropriated or diluted by a third party and promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or to take such other actions as it shall reasonably deem appropriate under the circumstances to protect such Patent or Trademark.

(iv) Not make any assignment or agreement in conflict with the security interest in the Patents or Trademarks of each Obligor hereunder (except as permitted by the Credit Agreement).

Notwithstanding the foregoing, the Obligors may, in their reasonable business judgment, fail to maintain, pursue, preserve or protect any Copyright, Patent or Trademark which is not material to their businesses.

5. Authorization to File Financing Statements. Each Obligor hereby authorizes the Administrative Agent to prepare and file such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Administrative Agent may from time to time deem necessary or appropriate in order to perfect and maintain the security interests granted hereunder in accordance with the UCC (including authorization to describe the Collateral as "all personal property", "all assets" or words of similar meaning).

6. Advances. (a) Upon the occurrence of and during the existence of an Event of Default or (b) upon the failure of any Obligor to perform any of the covenants and agreements contained herein and upon prior written notice to the Obligors if, with respect to this clause (b), the Administrative Agent reasonably determines that the taking of a particular action is required prior to the expiration of any applicable cure period(s) in order to prevent an impairment of its rights in and to any Collateral, then in either case, the Administrative Agent may, at its sole option and in its sole discretion, perform the same and in so doing may expend such sums as the Administrative Agent may reasonably deem advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, a payment to obtain a release of a Lien or potential Lien, expenditures made in defending against any adverse claim and all other expenditures which the Administrative Agent may make for the protection of

the security hereof or which may be compelled to make by operation of Law. All sums and amounts so expended shall be repayable by the Obligors on a joint and several basis promptly upon timely notice thereof and demand therefor, shall constitute additional Secured Obligations and shall bear interest from the date said amounts are expended at the Default Rate. No such performance of any covenant or agreement by the Administrative Agent on behalf of any Obligor, and no such advance or expenditure therefor, shall relieve the Obligors of any Default or Event of Default. The Administrative Agent may make any payment hereby authorized in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim except to the extent such payment is being contested in good faith by an Obligor in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

7. Remedies.

(a) General Remedies. Upon the occurrence of an Event of Default and during continuation thereof, the Administrative Agent shall have, in addition to the rights and remedies provided herein, in the Loan Documents, in any other documents relating to the Secured Obligations, or by Law (including, but not limited to, levy of attachment, garnishment and the rights and remedies set forth in the UCC of the jurisdiction applicable to the affected Collateral), the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights and remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further, the Administrative Agent may, with or without judicial process or the aid and assistance of others, (i) enter on any premises on which any of the Collateral may be located and, without resistance or interference by the Obligors, take possession of the Collateral, (ii) dispose of any Collateral on any such premises, (iii) require the Obligors to assemble and make available to the Administrative Agent at the expense of the Obligors any Collateral at any place and time designated by the Administrative Agent which is reasonably convenient to both parties, (iv) remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof, and/or (v) without demand and without advertisement, notice, hearing or process of law, all of which each of the Obligors hereby waives to the fullest extent permitted by Law, at any place and time or times, sell and deliver any or all Collateral held by or for it at public or private sale (which in the case of a private sale of Pledged Equity, shall be to a restricted group of purchasers who will be obligated to agree, among other things, to acquire such securities for their own account, for investment and not with a view to the distribution or resale thereof), at any exchange or broker's board or elsewhere, by one or more contracts, in one or more parcels, for Money, upon credit or otherwise, at such prices and upon such terms as the Administrative Agent deems advisable, in its sole discretion (subject to any and all mandatory legal requirements). Each Obligor acknowledges that any such private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that such private sale shall be deemed to have been made in a commercially reasonable manner and, in the case of a sale of Pledged Equity, that the Administrative Agent shall have no obligation to delay sale of any such securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act of 1933. Neither the Administrative Agent's compliance with applicable Law nor its disclaimer of warranties relating to the Collateral shall be considered to adversely affect the commercial reasonableness of any sale. To the extent the rights of notice cannot be legally waived hereunder, each Obligor agrees that any requirement of reasonable notice shall be met if such notice, specifying the place of any public sale or the time after which any private sale is to be made, is personally served on or mailed, postage prepaid, to the Borrower in accordance with the notice provisions of Section 11.02 of the Credit Agreement at least 10 days before the time of sale or other event giving rise to the requirement of such notice. The Administrative Agent may adjourn any public or

private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Obligor further acknowledges and agrees that any offer to sell any Pledged Equity which has been (i) publicly advertised on a bona fide basis in a newspaper or other publication of general circulation in the financial community of New York, New York (to the extent that such offer may be advertised without prior registration under the Securities Act of 1933), or (ii) made privately in the manner described above shall be deemed to involve a "public sale" under the UCC, notwithstanding that such sale may not constitute a "public offering" under the Securities Act of 1933, and the Administrative Agent may, in such event, bid for the purchase of such securities. The Administrative Agent shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by applicable Law, any holder of Secured Obligations may be a purchaser at any such sale. To the extent permitted by applicable Law, each of the Obligors hereby waives all of its rights of redemption with respect to any such sale. Subject to the provisions of applicable Law, the Administrative Agent may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, to the extent permitted by Law, be made at the time and place to which the sale was postponed, or the Administrative Agent may further postpone such sale by announcement made at such time and place.

(b) Remedies relating to Accounts. During the continuation of an Event of Default, whether or not the Administrative Agent has exercised any or all of its rights and remedies hereunder, (i) each Obligor will promptly upon request of the Administrative Agent instruct all account debtors to remit all payments in respect of Accounts to a mailing location selected by the Administrative Agent and (ii) the Administrative Agent shall have the right to enforce any Obligor's rights against its customers and account debtors, and the Administrative Agent or its designee may notify any Obligor's customers and account debtors that the Accounts of such Obligor have been assigned to the Administrative Agent or of the Administrative Agent's security interest therein, and may (either in its own name or in the name of an Obligor or both) demand, collect (including without limitation by way of a lockbox arrangement), receive, take receipt for, sell, sue for, compound, settle, compromise and give acquittance for any and all amounts due or to become due on any Account, and, in the Administrative Agent's discretion, file any claim or take any other action or proceeding to protect and realize upon the security interest of the holders of the Secured Obligations in the Accounts. Each Obligor acknowledges and agrees that the Proceeds of its Accounts remitted to or on behalf of the Administrative Agent in accordance with the provisions hereof shall be solely for the Administrative Agent's own convenience and that such Obligor shall not have any right, title or interest in such Accounts or in any such other amounts except as expressly provided herein. Neither the Administrative Agent nor the holders of the Secured Obligations shall have any liability or responsibility to any Obligor for acceptance of a check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement or be responsible for determining the correctness of any remittance. Furthermore, during the continuation of an Event of Default, (i) the Administrative Agent shall have the right, but not the obligation, to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and the Obligors shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications, (ii) upon the Administrative Agent's request and at the expense of the Obligors, the Obligors shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts and (iii) the Administrative Agent in its own name or in the name of others may communicate with account debtors on the Accounts to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Accounts.

(c) Deposit Accounts. Upon the occurrence of an Event of Default and during continuation thereof, the Administrative Agent may prevent withdrawals or other dispositions of funds in Deposit Accounts maintained with the Administrative Agent.

(d) Access. In addition to the rights and remedies hereunder, upon the occurrence of an Event of Default and during the continuance thereof, the Administrative Agent shall have the right to enter and remain upon the various premises of the Obligors without cost or charge to the Administrative Agent, and use the same, together with materials, supplies, books and records of the Obligors for the purpose of collecting and liquidating the Collateral, or for preparing for sale and conducting the sale of the Collateral, whether by foreclosure, auction or otherwise. In addition, the Administrative Agent may remove Collateral, or any part thereof, from such premises and/or any records with respect thereto, in order to effectively collect or liquidate such Collateral.

(e) Nonexclusive Nature of Remedies. Failure by the Administrative Agent or the holders of the Secured Obligations to exercise any right, remedy or option under this Agreement, any other Loan Document, any other document relating to the Secured Obligations, or as provided by Law, or any delay by the Administrative Agent or the holders of the Secured Obligations in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated, which in the case of the Administrative Agent or the holders of the Secured Obligations shall only be granted as provided herein. To the extent permitted by Law, neither the Administrative Agent, the holders of the Secured Obligations, nor any party acting as attorney for the Administrative Agent or the holders of the Secured Obligations, shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct hereunder. The rights and remedies of the Administrative Agent and the holders of the Secured Obligations under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Administrative Agent or the holders of the Secured Obligations may have.

(f) Retention of Collateral. In addition to the rights and remedies hereunder, the Administrative Agent may, in compliance with Sections 9-620 and 9-621 of the UCC or otherwise complying with the requirements of applicable Law of the relevant jurisdiction, accept or retain the Collateral in satisfaction of the Secured Obligations. Unless and until the Administrative Agent shall have provided such notices, however, the Administrative Agent shall not be deemed to have retained any Collateral in satisfaction of any Secured Obligations for any reason.

(g) Deficiency. In the event that the proceeds of any sale, collection or realization are insufficient to pay all amounts to which the Administrative Agent or the holders of the Secured Obligations are legally entitled, the Obligors shall be jointly and severally liable for the deficiency, together with interest thereon at the Default Rate, together with the costs of collection and the fees, charges and disbursements of counsel. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Obligors or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto.

8. Rights of the Administrative Agent.

(a) Power of Attorney. In addition to other powers of attorney contained herein, each Obligor hereby designates and appoints the Administrative Agent, on behalf of the holders of the Secured Obligations, and each of its designees or agents, as attorney-in-fact of such Obligor, irrevocably and with power of substitution, with authority to take any or all of the following actions upon the occurrence and during the continuance of an Event of Default:

- (i) to demand, collect, settle, compromise, adjust, give discharges and releases, all as the Administrative Agent may reasonably determine;
- (ii) to commence and prosecute any actions at any court for the purposes of collecting any Collateral and enforcing any other right in respect thereof;
- (iii) to defend, settle or compromise any action brought and, in connection therewith, give such discharge or release as the Administrative Agent may deem reasonably appropriate;
- (iv) receive, open and dispose of mail addressed to an Obligor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to the Collateral of such Obligor on behalf of and in the name of such Obligor, or securing, or relating to such Collateral;
- (v) sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any Collateral or the goods or services which have given rise thereto, as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes;
- (vi) adjust and settle claims under any insurance policy relating thereto;
- (vii) execute and deliver all assignments, conveyances, statements, financing statements, renewal financing statements, security agreements, affidavits, notices and other agreements, instruments and documents that the Administrative Agent may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and in order to fully consummate all of the transactions contemplated therein;
- (viii) institute any foreclosure proceedings that the Administrative Agent may deem appropriate;
- (ix) to sign and endorse any drafts, assignments, proxies, stock powers, verifications, notices and other documents relating to the Collateral;
- (x) to exchange any of the Pledged Equity or other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Pledged Equity with any committee, depository, transfer agent, registrar or other designated agency upon such terms as the Administrative Agent may reasonably deem appropriate;
- (xi) to vote for a shareholder resolution, or to sign an instrument in writing, sanctioning the transfer of any or all of the Pledged Equity into the name of the Administrative Agent or one or more of the holders of the Secured Obligations or into the name of any transferee to whom the Pledged Equity or any part thereof may be sold pursuant to Section 7 hereof;
- (xii) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral;

(xiii) to direct any parties liable for any payment in connection with any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct;

(xiv) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; and

(xv) do and perform all such other acts and things as the Administrative Agent may reasonably deem to be necessary, proper or convenient in connection with the Collateral.

This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Secured Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated. The Administrative Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Administrative Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Administrative Agent shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. This power of attorney is conferred on the Administrative Agent solely to protect, preserve and realize upon its security interest in the Collateral.

(b) Assignment by the Administrative Agent. The Administrative Agent may from time to time assign the Secured Obligations to a successor Administrative Agent appointed in accordance with the Credit Agreement, and such successor shall be entitled to all of the rights and remedies of the Administrative Agent under this Agreement in relation thereto.

(c) The Administrative Agent's Duty of Care. Other than the exercise of reasonable care to assure the safe custody of the Collateral while being held by the Administrative Agent hereunder, the Administrative Agent shall have no duty or liability to preserve rights pertaining thereto, it being understood and agreed that the Obligors shall be responsible for preservation of all rights in the Collateral, and the Administrative Agent shall be relieved of all responsibility for the Collateral upon surrendering it or tendering the surrender of it to the Obligors. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property, which shall be no less than the treatment employed by a reasonable and prudent agent in the industry, it being understood that the Administrative Agent shall not have responsibility for taking any necessary steps to preserve rights against any parties with respect to any of the Collateral. In the event of a public or private sale of Collateral pursuant to Section 7 hereof, the Administrative Agent shall have no responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Administrative Agent has or is deemed to have knowledge of such matters, or (ii) taking any steps to clean, repair or otherwise prepare the Collateral for sale.

(d) Liability with Respect to Accounts. Anything herein to the contrary notwithstanding, each of the Obligors shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account. Neither the Administrative Agent nor any holder of Secured Obligations shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this

Agreement or the receipt by the Administrative Agent or any holder of Secured Obligations of any payment relating to such Account pursuant hereto, nor shall the Administrative Agent or any holder of Secured Obligations be obligated in any manner to perform any of the obligations of an Obligor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(e) Voting and Payment Rights in Respect of the Pledged Equity.

(i) So long as no Event of Default shall exist, each Obligor may (A) exercise any and all voting and other consensual rights pertaining to the Pledged Equity of such Obligor or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement and (B) receive and retain any and all dividends (other than stock dividends and other dividends constituting Collateral which are addressed hereinabove), principal or interest paid in respect of the Pledged Equity to the extent they are allowed under the Credit Agreement; and

(ii) During the continuance of an Event of Default, after delivery of written notice thereof from the Administrative Agent to such Obligor, (A) all rights of an Obligor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to clause (i)(A) above shall cease and all such rights shall thereupon become vested in the Administrative Agent which shall then have the sole right to exercise such voting and other consensual rights, (B) all rights of an Obligor to receive the dividends, principal and interest payments which it would otherwise be authorized to receive and retain pursuant to clause (i)(B) above shall cease and all such rights shall thereupon be vested in the Administrative Agent which shall then have the sole right to receive and hold as Collateral such dividends, principal and interest payments, and (C) all dividends, principal and interest payments which are received by an Obligor contrary to the provisions of clause (ii)(B) above shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other property or funds of such Obligor, and shall be forthwith paid over to the Administrative Agent as Collateral in the exact form received, to be held by the Administrative Agent as Collateral and as further collateral security for the Secured Obligations.

(f) Releases of Collateral. (i) If any Collateral shall be sold, transferred or otherwise disposed of by any Obligor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Obligor, shall promptly execute and deliver to such Obligor all releases and other documents, and take such other action, reasonably necessary for the release of the Liens created hereby or by any other Collateral Document on such Collateral. (ii) The Administrative Agent may release any of the Pledged Equity from this Agreement or may substitute any of the Pledged Equity for other Pledged Equity without altering, varying or diminishing in any way the force, effect, lien, pledge or security interest of this Agreement as to any Pledged Equity not expressly released or substituted, and this Agreement shall continue as a first priority lien on all Pledged Equity not expressly released or substituted.

9. Application of Proceeds. Upon the acceleration of the Obligations pursuant to Section 8.02 of the Credit Agreement, any payments in respect of the Secured Obligations and any proceeds of the Collateral, when received by the Administrative Agent or any holder of the Secured Obligations in Money,

will be applied in reduction of the Secured Obligations in the order set forth in Section 8.03 of the Credit Agreement.

10. Continuing Agreement.

(a) This Agreement shall remain in full force and effect until such time as the Secured Obligations arising under the Loan Documents have been paid in full and the Commitments have expired or been terminated, at which time this Agreement shall be automatically terminated and the Administrative Agent shall, upon the request and at the expense of the Obligors, forthwith release all of its liens and security interests hereunder and shall execute and deliver all UCC termination statements and/or other documents reasonably requested by the Obligors evidencing such termination.

(b) This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any holder of the Secured Obligations as a preference, fraudulent conveyance or otherwise under any Debtor Relief Law, all as though such payment had not been made; provided that in the event payment of all or any part of the Secured Obligations is rescinded or must be restored or returned, all reasonable costs and expenses (including without limitation any reasonable legal fees and disbursements) incurred by the Administrative Agent or any holder of the Secured Obligations in defending and enforcing such reinstatement shall be deemed to be included as a part of the Secured Obligations.

11. Amendments; Waivers; Modifications, etc. This Agreement and the provisions hereof may not be amended, waived, modified, changed, discharged or terminated except as set forth in Section 11.01 of the Credit Agreement; provided that any update or revision to Schedule 2(c) hereof delivered by any Obligor shall not constitute an amendment for purposes of this Section 11 or Section 11.01 of the Credit Agreement.

12. Successors in Interest. This Agreement shall be binding upon each Obligor, its successors and assigns and shall inure, together with the rights and remedies of the Administrative Agent and the holders of the Secured Obligations hereunder, to the benefit of the Administrative Agent and the holders of the Secured Obligations and their successors and permitted assigns.

13. Notices. All notices required or permitted to be given under this Agreement shall be in conformance with Section 11.02 of the Credit Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which where so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of executed counterparts of this Agreement by facsimile or other electronic means shall be effective as an original.

15. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

16. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL. The terms of Sections 11.14 and 11.15 of the Credit Agreement with respect to governing law, submission to jurisdiction, venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

17. Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

18. Entirety. This Agreement, the other Loan Documents and the other documents relating to the Secured Obligations represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Loan Documents, any other documents relating to the Secured Obligations, or the transactions contemplated herein and therein.

19. Other Security. To the extent that any of the Secured Obligations are now or hereafter secured by property other than the Collateral (including, without limitation, real property and securities owned by an Obligor), or by a guarantee, endorsement or property of any other Person, then the Administrative Agent shall have the right to proceed against such other property, guarantee or endorsement upon the occurrence of any Event of Default, and the Administrative Agent shall have the right, in its sole discretion, to determine which rights, security, liens, security interests or remedies the Administrative Agent shall at any time pursue, relinquish, subordinate, modify or take with respect thereto, without in any way modifying or affecting any of them or the Secured Obligations or any of the rights of the Administrative Agent or the holders of the Secured Obligations under this Agreement, under any other of the Loan Documents or under any other document relating to the Secured Obligations.

20. Joinder. At any time after the date of this Agreement, one or more additional Persons may become party hereto by executing and delivering to the Administrative Agent a Joinder Agreement. Immediately upon such execution and delivery of such Joinder Agreement (and without any further action), each such additional Person will become a party to this Agreement as an "Obligor" and have all of the rights and obligations of an Obligor hereunder and this Agreement and the schedules hereto shall be deemed amended by such Joinder Agreement.

21. Rights of Required Lenders. All rights of the Administrative Agent hereunder, if not exercised by the Administrative Agent, may be exercised by the Required Lenders.

22. Consent of Issuers of Pledged Equity. Each issuer and owner of Pledged Equity party to this Agreement hereby acknowledges, consents and agrees to the grant of the security interests in such Pledged Equity by the applicable Obligors pursuant to this Agreement, together with all rights accompanying such security interest as provided by this Agreement and applicable law, notwithstanding any anti-assignment provisions in any operating agreement, limited partnership agreement or similar organizational or governance documents of such issuer.

[remainder of page intentionally left blank]

Accepted and agreed to as of the date first above written.

BANK OF AMERICA, N.A., as Administrative Agent

By /s/ Christine Trotter

Name: Christine Trotter

Title: Assistant Vice President

13 VERTICALS, LLC
SECURITY AND PLEDGE AGREEMENT

SCHEDULE 1(b)

PLEDGED EQUITY

<u>Loan Party</u>	<u>Jurisdiction of Organization</u>	<u>Number of Shares of Each Class of Equity Interests Outstanding</u>	<u>Certificate Number</u>	<u>Number and Percentage of Outstanding of Each Class Owned by any Loan Party or any Subsidiary</u>
i3 Verticals Management Services, Inc.	Delaware	1,000 shares of Common Shares	1	100% owned by i3 Verticals, LLC
CP-PS, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
CP-DBS, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-RS, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-EZPay, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-LL, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-PBS, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-Infin, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-BP, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-Axia, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-Randall, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-CSC, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
i3-TS, LLC	Delaware	N/A	N/A	100% owned by i3 Verticals, LLC
Fairway Payments, LLC	Virginia	N/A	N/A	100% owned by i3 Verticals, LLC

SCHEDULE 2(c)

COMMERCIAL TORT CLAIMS

None.

SCHEDULE 3(g)

INSTRUMENTS; DOCUMENTS; TANGIBLE CHATTEL PAPER

None.

IRREVOCABLE STOCK POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to

the following Equity Interests of _____, a _____ corporation:

No. of Shares Certificate No.

and irrevocably appoints _____ its agent and attorney-in-fact to transfer all or any part of such Equity Interests and to take all necessary and appropriate action to effect any such transfer. The agent and attorney-in-fact may substitute and appoint one or more persons to act for him.

By: _____
Name: _____
Title: _____

EXHIBIT 4(b)(i)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

COPYRIGHTS

United States Copyright Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security and Pledge Agreement dated as of October 30, 2017 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") by and among the Obligor party thereto (each an "Obligor" and collectively, the "Obligors") and Bank of America, N.A., as administrative agent (the "Administrative Agent") for the holders of the Secured Obligations referenced therein, the undersigned Obligor has granted a continuing security interest in and a right to set off against the copyrights and copyright applications shown below to the Administrative Agent for the ratable benefit of the holders of the Secured Obligations:

COPYRIGHTS

Copyright No.

Description of
Copyright Item

Date of Copyright

See Schedule 1 attached hereto

COPYRIGHT APPLICATIONS

Copyright Applications No.

Description of
Copyright Applied for

Date of
Copyright Applications

See Schedule 1 attached hereto

The undersigned Obligor and the Administrative Agent, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest in the foregoing copyrights and copyright applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any copyright or copyright application.

Very truly yours,

[Obligor]

By: _____

Name: _____

Title: _____

Acknowledged and Accepted:

BANK OF AMERICA, N.A., as Administrative Agent

By: _____

Name: _____

Title: _____

EXHIBIT 4(b)(ii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

PATENTS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security and Pledge Agreement dated as of October 30, 2017 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") by and among the Obligor party thereto (each an "Obligor" and collectively, the "Obligors") and Bank of America, N.A., as administrative agent (the "Administrative Agent") for the holders of the Secured Obligations referenced therein, the undersigned Obligor has granted a continuing security interest in and a right to set off against the patents and patent applications shown below to the Administrative Agent for the ratable benefit of the holders of the Secured Obligations:

PATENTS

<u>Patent No.</u>	<u>Description of Patent Item</u>	<u>Date of Patent</u>
-------------------	---------------------------------------	-----------------------

See Schedule 1 attached hereto

PATENT APPLICATIONS

<u>Patent Applications No.</u>	<u>Description of Patent Applied for</u>	<u>Date of Patent Applications</u>
--------------------------------	--	--

See Schedule 1 attached hereto

The undersigned Obligor and the Administrative Agent, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Very truly yours,

[Obligor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

BANK OF AMERICA, N.A., as Administrative Agent

By: _____
Name: _____
Title: _____

NOTICE
OF
GRANT OF SECURITY INTEREST
IN
TRADEMARKS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security and Pledge Agreement dated as of October 30, 2017 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and Bank of America, N.A., as Administrative Agent (the "Administrative Agent") for the holders of the Secured Obligations referenced therein, the undersigned Obligor has granted a continuing security interest in and a right to set off against the trademarks and trademark applications shown below to the Administrative Agent for the ratable benefit of the holders of the Secured Obligations:

TRADEMARKS

<u>Trademark No.</u>	<u>Description of Trademark Item</u>	<u>Date of Trademark</u>
	See <u>Schedule 1</u> attached hereto	

TRADEMARK APPLICATIONS

<u>Trademark Applications No.</u>	<u>Description of Trademark Applied for</u>	<u>Date of Trademark Applications</u>
	See <u>Schedule 1</u> attached hereto	

The undersigned Obligor and the Administrative Agent, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

[Obligor]

By: _____

Name: _____

Title: _____

Acknowledged and Accepted:

BANK OF AMERICA, N.A., as Administrative Agent

By: _____

Name: _____

Title: _____

FIRST AMENDED AND RESTATED LOAN AGREEMENT

Lenders:

CCSD II, L.P.
Claritas Capital Specialty Debt Fund, L.P.
Harbert Mezzanine Partners III, L.P.

Collateral Agent:

Claritas Capital Specialty Debt Fund, L.P.

Borrowers:

i3 VERTICALS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
i3-RS, LLC

Dated as of January 9, 2015

TABLE OF CONTENTS

	Page
ARTICLE 1. DEFINITIONS AND CONSTRUCTION	1
1.1 Primary Defined Terms	2
1.2 Additional Defined Terms	2
1.3 Computations; Accounting Principles	2
1.4 Standards for Consent	2
1.5 References to Documents	2
1.6 References to Laws	2
1.7 References to this Agreement	2
1.8 Other Interpretive Conventions	2
ARTICLE 2. TERM LOANS	18
2.1 Amount of Term Loans; Term Loan Notes	18
2.2 Use of Proceeds	18
2.3 Advances	18
2.4 Accrual of Interest	18
2.5 Interim Payments of Interest	18
2.6 Voluntary Prepayments of Principal	18
2.7 Mandatory Prepayment of Principal	18
2.8 Final Payment of All Amounts	18
2.9 Late Fee	18
2.10 Processing Fee	18
2.11 Pro Rata Direct Payments	18
2.12 Manner of Payment	18
2.13 Value of Warrants	18
ARTICLE 3. RELATIONSHIP OF BORROWERS	20
3.1 Joint and Several Liability	20
3.2 Funding Requests and Administration	20
3.3 Unconditional Obligation	20
3.4 Subrogation Rights	20
3.5 Savings Provision	20
3.6 Independent Existence	20
ARTICLE 4. CONDITIONS	21
4.1 Documentary Conditions to Initial Advance	21
4.2 Additional Conditions to Initial Advance	21
4.3 Documentary Conditions to Second Advance	21
4.4 Additional Conditions to Second Advance	21
ARTICLE 5. REPRESENTATIONS AND WARRANTIES	24
5.1 Capacity	24
5.2 Authorization	24
5.3 Binding Obligations	24

TABLE OF CONTENTS
(continued)

	Page
5.4 No Conflicting Law or Agreement	24
5.5 No Consent Required	24
5.6 Pending Orders	24
5.7 Pending Proceedings	24
5.8 Past Proceedings	24
5.9 Financial Statements	24
5.10 Fiscal year	24
5.11 Debt and Related Encumbrances	24
5.12 Off-Balance Sheet Transactions	24
5.13 Taxes; Governmental Charges	24
5.14 ERISA Plans	24
5.15 Title to Properties	24
5.16 Property in Borrowers' Possession	24
5.17 Locations of Property	24
5.18 Condition of Properties	24
5.19 Casualties and Extraordinary Events	24
5.20 Condemnation	24
5.21 Intellectual Property	24
5.22 Equity Interests	24
5.23 Hedge Agreements	24
5.24 Compliance With Laws	24
5.25 Environmental Compliance	24
5.26 ERISA	24
5.27 Investment Company Act	24
5.28 Personal Holding Company	24
5.29 Labor Matters	24
5.30 Regulation U	24
5.31 Affiliate Transactions	24
5.32 Capitalization	24
5.33 Permits	24
5.34 Employment Agreements	24
5.35 Management	24
5.36 Material Contracts	24
5.37 Insurance	24
5.38 Non-Compete Agreements	24
5.39 Delivery of Scheduled Agreements	24
5.40 Perfection Diligence Certificates	24
5.41 Fees/Commissions	24
5.42 Accuracy of Projections	24

TABLE OF CONTENTS
(continued)

	Page
5.43 Full Disclosure of Material Facts	24
5.44 Recitals	24
5.45 Small Business Concern	24
ARTICLE 6. AFFIRMATIVE COVENANTS	30
6.1 Maintenance of Existence	30
6.2 Payment of Obligations	30
6.3 Accounts and Records	30
6.4 Collateral for Obligations	30
6.5 Financial Statements and Reports	30
6.6 Additional Reporting Requirements	30
6.7 Taxes and Other Encumbrances	30
6.8 Compliance with Laws	30
6.9 Environmental Matters	30
6.10 Maintenance of Tangible Property	30
6.11 Maintenance of IP	30
6.12 Banking Relationships	30
6.13 Landlord Waivers	30
6.14 Insurance Requirements	30
6.15 Right of Inspection	30
6.16 Further Assurances	30
6.17 Indemnity; Expenses	30
6.18 Estoppel Letters	30
6.19 Board Rights	30
6.20 Additional Subsidiaries and Collateral	30
6.21 Accrual of Dividends and Distributions	30
ARTICLE 7. NEGATIVE COVENANTS	39
7.1 Debts and Guaranties	39
7.2 Encumbrances	39
7.3 Distributions and Redemptions	39
7.4 Sales and Leasebacks	39
7.5 [Intentionally Omitted]	39
7.6 Debt Investments	39
7.7 Issuance of Equity	39
7.8 Mergers and Consolidations	39
7.90 Asset Acquisitions	39
7.10 Loans to Others	39
7.11 Disposition of Assets	39
7.12 Consignments	39
7.13 Location of Property	39

TABLE OF CONTENTS
(continued)

	Page
7.14 Ownership of Equity Interests	39
7.15 Partnerships	39
7.16 Place of Business	39
7.17 Adverse Action With Respect to Plans	39
7.18 Hedge Agreements	39
7.19 Restrictive Agreements	39
7.20 Transactions With Affiliates	39
7.21 Payments to Subordinated Creditors	39
7.22 Constituent Document Amendments	39
7.23 Name	39
7.24 Fiscal year	39
7.25 Accounting Methods	39
7.26 Change of Management	39
7.27 [Intentionally Omitted]	39
7.28 Action Outside Ordinary Course	39
7.29 Activities Prohibited by SBA	39
7.30 No Amendment or Modification of Subordination Provisions	39
7.31 Conditions to Payment of Contingent Consideration and Seller Subordinated Debt; Liquidity Requirement	39
7.32 No Redemption	39
ARTICLE 8. FINANCIAL COVENANTS	44
8.1 Minimum Fixed Charge Coverage Ratio	44
8.2 Maximum Total Leverage Ratio	44
8.3 Capital Expenditures Limit	44
8.4 Financial Definitions	44
ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES	46
9.1 Events of Default.	46
9.2 Remedies	46
ARTICLE 10. COLLATERAL AGENT AND OTHER INTER-LENDER MATTERS	49
10.1 Appointment and Authority	49
10.2 Rights as a Lender	49
10.3 Exculpatory Provisions	49
10.4 Reliance by Collateral Agent	49
10.5 Delegation of Duties	49
10.6 Resignation of Collateral Agent.	49
10.7 Replacement of Collateral Agent in Certain Circumstances	49
10.8 Non-Reliance on Collateral Agent and Other Lenders	49
10.9 Collateral Agent May File Proofs of Claim	49

TABLE OF CONTENTS
(continued)

	Page
10.10 Exercise of Remedies	49
10.11 Administrative Collateral Matters	49
10.12 No Duty to Monitor Collateral..	49
10.13 Sharing Among Lenders	49
ARTICLE 11. GENERAL PROVISIONS	54
11.1 Usury Savings Provision	54
11.2 Publicity	54
11.3 No Reliance on Lender's Analysis	54
11.4 No Marshaling of Assets	54
11.5 Business Days	54
11.6 Limitations of Damages	54
11.7 Notes	54
11.8 Not Fiduciary; No Third Party Beneficiaries	54
11.9 Incorporation of Schedules	54
11.10 Indulgence Not Waiver	54
11.11 Assignment	54
11.12 Entire Agreement	54
11.13 Construction	54
11.14 Requirements of Writing	54
11.15 Amendments, Waivers, and Consents	54
11.16 Time of Essence	54
11.17 Gender and Number	54
11.18 Captions Not Controlling	54
11.19 Counterparts	54
11.20 Compliance with Anti-Terrorism Laws	54
11.21 Applicable Law	54
11.22 Consent to Jurisdiction; Exclusive Venue	54
11.23 Waiver of Jury Trial	54
11.24 Amended and Restated Agreement..	54
11.25 Joinder of Management and i3-RS	54
11.26 Affirmation; Collateral; Consent; Waivers regarding Warrants and Leases	54

Exhibits and Schedules

Exhibit 4.1	Closing Agenda
Schedule 5.5	Required Consents
Schedule 5.6	Pending Orders
Schedule 5.7	Pending Proceedings
Schedule 5.8	Past Proceedings and Orders
Schedule 5.9	Exceptions to Financial Statements
Schedule 5.11	Debt
Schedule 5.12	Off-Balance-Sheet Transactions
Schedule 5.13	Unpaid Taxes
Schedule 5.14	ERISA Plans
Schedule 5.17	Locations of Property
Schedule 5.18	Condition of Properties
Schedule 5.19	Casualties and Extraordinary Events
Schedule 5.20	Condemnation
Schedule 5.21	Intellectual Property
Schedule 5.22	Equity Interests
Schedule 5.23	Hedge Agreements
Schedule 5.24	Violations of Law
Schedule 5.25	Environmental Matters
Schedule 5.29	Labor Matters
Schedule 5.31	Affiliate Transactions
Schedule 5.32	Capitalization
Schedule 5.33	Permits and Licenses
Schedule 5.34	Employment Agreements
Schedule 5.35	Management
Schedule 5.36	Material Contracts
Schedule 5.37	Insurance Claims
Schedule 5.38	Non-Compete Agreements
Schedule 5.41	Fees and Commissions

THE INDEBTEDNESS EVIDENCED BY THIS INSTRUMENT OR AGREEMENT IS SUBORDINATED IN RIGHT OF PAYMENT TO CERTAIN INDEBTEDNESS TO VARIOUS LENDERS, FOR WHICH FIRST BANK IS ACTING AS ADMINISTRATIVE AGENT, AND THE LIENS ON AND SECURITY INTERESTS IN COLLATERAL SECURING THIS INSTRUMENT OR AGREEMENT ARE SUBORDINATED IN RIGHTS OF PRIORITY TO LIENS ON AND SECURITY INTERESTS IN COLLATERAL SECURING SUCH INDEBTEDNESS, IN EACH CASE PURSUANT TO, AND TO THE EXTENT PROVIDED IN, THE AMENDED AND RESTATED INTERCREDITOR AND SUBORDINATION AGREEMENT ("INTERCREDITOR AGREEMENT") DATED AS OF THE DATE HEREOF, EXECUTED BY AND BETWEEN FIRST BANK AND CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P, CCSD II, L.P., AND HARBERT MEZZANINE PARTNERS III, L.P, AS LENDERS AND CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. AS COLLATERAL AGENT, AS SUCH INTERCREDITOR AGREEMENT MAY BE AMENDED, MODIFIED OR SUPPLEMENTED FROM TIME TO TIME. PAYMENTS MAY BE MADE UNDER THIS INSTRUMENT OR AGREEMENT ONLY TO THE EXTENT EXPRESSLY PERMITTED UNDER SUCH INTERCREDITOR AGREEMENT. IN CASE OF A CONFLICT BETWEEN THE TERMS OF THIS INSTRUMENT OR AGREEMENT AND THE INTERCREDITOR AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN. THIS LEGEND SHALL BE PLACED ON ANY NOTE OR OTHER INSTRUMENT OR AGREEMENT GIVEN AT ANY TIME IN SUBSTITUTION FOR OR REPLACEMENT HEREOF.

FIRST AMENDED AND RESTATED LOAN AGREEMENT

This First Amended and Restated Loan Agreement (this "Agreement") is entered into as of January 9, 2015, by i3 VERTICALS, LLC ("i3 VERTICALS"), a Delaware limited liability company formerly known as Charge Payment, LLC, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company, CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company, CP-PS, LLC ("CP-PS"), a Delaware limited liability company, CP-APS, LLC ("CP-APS"), a Delaware limited liability company, CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company; and i3-RS, LLC ("i3-RS"), a Delaware limited liability company (i3 Verticals, CP-TOPS, CP-USDC, CP-PS, CP-APS, and CP-DBS are the "Existing Borrowers," and the Existing Borrowers, i3 Management, and i3-RS are each a "Borrower" and collectively "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD In"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in this Agreement ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers are parties to that Loan Agreement dated as of August 14, 2013, as amended by that First Amendment to Loan Agreement

dated as of December 31, 2013, that Second Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated as of February 14, 2014, that Third Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 9, 2014, and that Fourth Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 23, 2014 (as amended, the "Original Loan Agreement"), pursuant to which, among other things, (i) Lenders extended to Existing Borrowers term loans in the aggregate original principal amount of \$10,500,000, and (ii) Collateral Agent has agreed to serve as "Collateral Agent" for Lenders as provided therein;

B. i3-Management and i3-RS have recently been formed as wholly-owned subsidiaries of i3 Verticals and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders, Collateral Agent, and Borrowers desire to amend and restate the Original Loan Agreement in full on the terms and conditions set forth in this Agreement.

AGREEMENT:

NOW, THEREFORE, as an inducement to cause Lenders to continue to extend the credit described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lenders, Collateral Agent, and Borrowers agree as follows:

ARTICLE 1. DEFINITIONS AND CONSTRUCTION

1.1 Primary Defined Terms. As used below in this Agreement, the following capitalized terms have the meanings set forth in this Section unless the context expressly requires otherwise:

"**Accountants**" means Lattimore, Black, Morgan & Cain, PC or another regional or national accounting firm approved by Lenders.

"**Accounting Change**" means a change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

"**Acquisition**" means (a) any Investment by any Borrower and any other Person organized in the United States (with substantially all of the assets of such Person and its Subsidiaries located in the United States), pursuant to which such Person shall become a Subsidiary of any Borrower or any of its Subsidiaries or shall be merged with any Borrower or any of its Subsidiaries or (b) any acquisition by any Borrower or any Subsidiaries thereof of the assets of any Person (other than a Subsidiary of any Borrower) that constitute all or substantially all of the assets of such Person or a division or business unit of such Person, whether through purchase, merger or other business combination or transaction (and substantially all of such assets, division or business unit are located in the United States). With respect to a determination of the amount of an Acquisition, such amount

shall include all consideration (including any deferred payments) set forth in the applicable agreements governing such Acquisition as well as the assumption of any Debt in connection therewith.

"Affiliate" means:

- (i) with respect to a specified Person,
 - (A) any other Person who directly or indirectly Controls, is directly or indirectly Controlled by, or is directly or indirectly under common Control with, the specified Person;
 - (B) any other Person who owns any material interest in, is owned as to any material interest by, or is under common ownership as to any material interest with, the specified Person (ownership of any Equity Interest in a Borrower, and of five percent (5%) or more of the voting Equity Interests of any other Person, shall be deemed "material" for this purpose);
 - (C) any other Person who serves as a director, manager, officer, partner, executor, trustee, or similar senior management capacity with the specified Person;
 - (D) any other Person with respect to which the specified Person serves as a director, manager, officer, partner, executor, trustee, or similar senior management capacity;
 - (E) if a Person who is an Affiliate under any of the foregoing requirements is a natural Person, each member of such individual's Immediate Family; and
 - (F) each Affiliate of each other Person deemed to be an Affiliate of the specified Person under any of the foregoing provisions;
- (ii) for purposes of this definition, the "Immediate Family" of an individual includes (A) the individual's spouse, (B) any other individual who resides with such individual, and (C) any other individual who is related to such individual or related to a Person described in the foregoing (A) or (B), in each case within the first degree; and
- (iii) notwithstanding the foregoing, Lenders shall not in any event be deemed Affiliates of Borrowers.

"Agreement" means this Loan Agreement.

"**Anticipated Additional Debt**" means Debt issued pursuant to the Master Note Purchase Agreement, which Debt also meets the following criteria:

- (i) if *pro forma* EBITDA immediately before issuing such additional Debt, giving effect for any completed acquisitions as if the Company had the benefit of a full year of operations, is \$15,000,000 or greater, then unsecured Debt issued by i3 Verticals after the Closing Date (i) in compliance with all securities Laws and other Laws, (ii) with no payments of principal due prior to the Term Loan Maturity Date, (iii) providing for interest at a rate not exceeding that accruing on the Term Loans plus 3%, and (iv) for which the incurrence of such Debt will not, giving it *pro forma* effect, cause Borrowers to breach any financial covenant or otherwise cause a Default or Event of Default, as demonstrated by a certificate of the Chief Financial Officer of i3 Verticals delivered to Lenders at least five (5) days prior to the issuance of such Debt; and
- (ii) if *pro forma* EBITDA immediately before issuing such additional debt, giving effect for any completed acquisitions as if the Company had the benefit of a full year of operations, is less than \$15,000,000, then unsecured Debt issued by i3 Verticals after the Closing Date (i) in compliance with all securities Laws and other Laws, (ii) with no payments of principal due prior to the Term Loan Maturity Date, (iii) providing for interest at a rate approved by the Required Lenders, in their reasonable discretion (but in no event at a rate in excess of that accruing on the Term Loans), and (iv) otherwise on terms and conditions approved by the Required Lenders, in their reasonable discretion (approvals under subsections (iii) and (v) shall not be unreasonably withheld, delayed, or conditioned).

"**APS Seller Note**" means that Subordinated Promissory Note dated as of May 9, 2014, made by CP-APS payable to the order of Advanced Payment Solutions, LLC, a Tennessee limited liability company, in the principal amount of \$1,000,000, which (i) may not be amended or modified (other than to extend the due date for payments thereunder) without the consent of Lenders, and (ii) shall be treated as Subordinated Seller Debt hereunder.

"**Beneficial Owner**" has the meaning provided in Rule 13d-3 under the Exchange Act.

"**Borrowers**" means the Borrowers named in the preamble of this Agreement and their respective successors and assigns (to the extent permitted under this Agreement).

"**Borrowers' Line of Business**" means the payments processing business and other activities and services directly or customarily incidental thereto.

"**Business Day**" means any day other than a Saturday, Sunday, or a weekday on which state or national banks located in Nashville, Tennessee, are authorized or required by law to be closed

for business (any reference to a number of days is a reference to calendar days unless Business Days is expressly used).

"**Capital Lease**" means a lease that would be characterized under GAAP as a financed purchase rather than as an operating lease.

"**Cash Equivalents**" means (i) certificates of time deposits of First Bank and repurchase agreements backed by United States government securities of First Bank, or (ii) any other products similar to those described in subparagraph (i) offered by First Bank from time to time.

"**CCSD I/CCSD II**" means CCSD I and CCSD II, taken collectively.

"**Change of Control**" means the occurrence, after the date of this Agreement, of (a) any Person or two or more Persons acting in concert acquiring beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of securities of any Borrower (or other securities convertible into such securities) representing more than fifty percent (50%) of the combined voting power of all securities thereof entitled to vote in the election of directors (disregarding for this determination any rights of designation conditioned upon any Person's holdings of a percentage of any Units issued by i3 Verticals), or (ii) any event by which a majority of the members of the Board of Directors of i3 Verticals are no longer freely elected or freely designated by Persons who were members of i3 Verticals or holders of warrants in i3 Verticals as of the Closing Date.

"**Claims**" means all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, and expenses of any kind, including the reasonable fees and expenses of counsel incurred in addressing any of the foregoing.

"**Closing**" means the satisfaction or waiver of all conditions to, and the funding of, the Term Loans.

"**Closing Date**" means August 14, 2013.

"**Collateral**" means all Property now or hereafter securing the Obligations.

"**Collateral Agent**" means CCSD I, in its capacity as Collateral Agent for Lenders, its lawful successors, and any successor Collateral Agent appointed as provided in this Agreement.

"**Constituent Documents**" means the certificate of incorporation, charter, certificate of formation, articles of formation, bylaws, operating agreement, voting agreements, and other documents and agreements by which a legal entity is formed, maintained, and governed.

"**Contingent Consideration**" means any earnout payment, contingent purchase price payment, or any similar contingent payment or obligation (including any such contingent obligations evidenced by a promissory note) due or owing under the terms of any purchase or acquisition agreement executed by any Borrower in connection with any Acquisition or Investment, including,

without limitation, (i) that Purchase Agreement dated as of May 9, 2014, between Advanced Payment Solutions, LLC, Jennifer Brinkman, Debbie Bowles, and CP-APS, (ii) that Purchase Agreement dated as of May 23, 2014, between Data Business Systems of Colorado, Inc., Hume Miller, and CP-DBS, (iii) that Purchase Agreement effective as of February 1, 2014, by and between Merchant Processing Solutions, LLC d/b/a Payment Systems and CP-PS, and (iv) that Asset Purchase Agreement dated as of December 31, 2014, between RentShare, Inc., certain "Owners" thereof, and i3-RS.

"Contract" means any agreement to which a Borrower is, at a relevant time, a party or by which a Borrower's properties are bound, including any management agreement, financing agreement, vendor agreement, customer agreement, indenture, mortgage, deed of trust, lease, sale agreement, or consulting agreement.

"Control" or **"Controlled"** means that a Person has the power to direct or cause the direction of the management and policies of another Person, whether this power exists as a matter of right, through economic compulsion, or otherwise.

"Control Agreement" means a control agreement acceptable to Collateral Agent among one or more Borrowers, a depository bank or securities intermediary, and Collateral Agent, establishing Collateral Agent's right to control one or more accounts pursuant to Article 8 or Article 9 of the UCC.

"Daily Loan" means the loan evidenced by that Third Amended and Restated 10% Subordinated Convertible Promissory Note dated as of the Restatement Closing Date, made by i3 Verticals payable to the order of Gregory S. Daily and Collie F. Daily in the principal amount of \$1,000,000.

"DBS Seller Note" means that Subordinated Promissory Note dated as of May 23, 2014, made by CP-DBS payable to the order of Data Business Systems of Colorado, Inc., a Colorado corporation, in the principal amount of \$500,000, which (i) may not be amended or modified (other than to extend the due date for payments thereunder) without the consent of Lenders, and (ii) shall be treated as Subordinated Seller Debt hereunder.

"Debt" means a Person's obligations for borrowed money, including (i) the Term Loans, (ii) the Senior Loan, (iii) any other obligations evidenced by bonds, debentures, notes, or other similar instruments, (iv) any obligations in respect of Capital Leases, (v) any outstanding face amounts of letters of credit and acceptance facilities, (vi) any payment obligations secured by any Encumbrance on any asset of a Person, whether or not the Person is also personally liable therefor, (vii) any payment obligations under Hedge Agreements, and (viii) although trade obligations incurred in the ordinary course of business are not Debt, any trade obligation which remains outstanding (even with the vendor's permission) 180 days after its original due date shall constitute Debt.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors,

moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that, but for the giving of any required notice and/or the passing of time, would be an Event of Default hereunder.

"Default Rate" means an interest rate of five percent (5.0%) per annum over the otherwise applicable rate of interest, computed on the basis of a 360-day year and actual days elapsed.

"Encumbrance" means any (i) lien securing an obligation, including the lien or security interest arising from a deed of trust, mortgage, security agreement, assignment as collateral, conditional sale, or Capital Lease and (ii) other interests and restrictions, including those arising under operating leases, options, voting agreements, use restrictions, zoning restrictions, restrictions arising under licenses, reservations, exceptions, encroachments, easements, rights-of-way, and covenants.

"Environmental Laws" means the Environmental Protection Act, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, and any other federal, state, or municipal law, rule, or regulation relating to air emissions, water discharge, noise emissions, solid or liquid waste disposal, hazardous or toxic waste or materials, or other environmental or health matters.

"Equipment" means "equipment" as defined in the UCC.

"Equity Interest" means any ownership interest in or right to Control any share, stock, membership interest, partnership interest, or other equity interest (regardless of how designated) of or in a corporation, limited liability company, partnership, or other Person, whether voting or nonvoting, and all options, warrants, and other rights to acquire any such an interest or right of control.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any Person, who for purposes of Title IV of ERISA, is a member of a Borrower's controlled group, or under common control with a Borrower, within the meaning of Section 414 of the IRC.

"ERISA Event" means (i) with respect to a Plan, the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC, (ii) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041 (e) of ERISA), (iii) with respect to a Plan, the cessation of operations at a facility in the circumstances described in Section 4068(f) of ERISA, (iv) the withdrawal by a Borrower or any ERISA Affiliate from a Multiple Employer Plan (as defined in ERISA) during a plan year for which it was a substantial employer, as defined in

4001(a)(2) of ERISA, (v) the failure by a Borrower or any ERISA Affiliate to make a material payment to a Plan required under Section 302(f)(1) of ERISA, (vi) the adoption of an amendment to a Plan requiring the provision of initial or additional security to such Plan, pursuant to Section 307 of ERISA, or (vii) the institution by the PBGC of proceedings to terminate a Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Plan.

"Event of Default" means the occurrence of any of the events specified in Section 9.1 as to which any requirement for notice or lapse of time has been satisfied.

"Exchange Act" means the Securities Exchange Act of 1934.

"Financial Statements" means the Financial Statements of Borrowers delivered to Lenders pursuant to Section 6.5 hereof.

"Fiscal Quarter" means any of the quarterly accounting periods of Borrowers, ending on each March 31, June 30, September 30, and December 31.

"Fiscal Year" means any of the annual accounting periods of Borrowers, ending on September 30 (Lender hereby acknowledges and consents to the change of Borrowers' Fiscal Year end from December 31, effective as of September 30, 2014).

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time applied on a consistent basis, except that for purposes of Article 8, GAAP shall be determined on the basis of such principles in effect on the date hereof. In the event that any Accounting Change shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrowers and the Lenders agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrowers' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrowers and the Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

"Governing Body" means the board of directors, manager(s) or board of manager(s), trustee(s), or other board, group, or other Person with the power to manage the affairs of a legal entity.

"Governmental Authority" means any arbitration authority and any governmental or quasi-governmental entity or court, including any department, commission, board, bureau, agency, administration, service, or other instrumentality of any foreign or domestic government.

"Guaranty" means any agreement of surety, guaranty, or other form of assurance as to an obligation of another Person, whether given directly or indirectly, including any obligation (i) to purchase any obligation or Property securing an obligation, (ii) to maintain working capital, net worth, or solvency of another, (iii) to purchase Property, securities or services primarily for the purpose of assuring the seller's payment of an obligation, or (iv) to otherwise assure or hold harmless the owner of an obligation against loss in respect thereof.

"Hazardous Substances" means those substances included from time to time within the definition of hazardous substances, hazardous materials, toxic substances, or solid waste under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, and such other substances that are or become regulated under any applicable local, state, or federal law or regulation addressing environmental hazards.

"Hedge Agreement" means (i) any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement; (ii) any currency swap agreement, forward currency purchase agreement, or similar agreement designed to protect against fluctuations in currency exchange rates; and (iii) any forward commodity purchase agreement or similar agreement or arrangement designed to protect against fluctuations in raw materials or other commodity prices.

"Indemnitees" is defined in [Section 6.17](#).

"Insolvency Proceeding" means any case or proceeding commenced by or against any Person as a debtor under any Debtor Relief Law.

"Inventory" means "inventory" as defined in the UCC.

"Investment" means any Borrower's acquisition of any evidence of indebtedness or other securities (other than the acquisition of Cash Equivalents in the ordinary course of business) of, make any loan or advances to, guarantee any obligations of, or make any investment (other than the acquisition of Cash Equivalents in the ordinary course of business) in, any other Person or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person.

"IP" means patents, trademarks, copyrights, trade secrets, trade names, service names, service marks, Internet domain names, and any other intellectual property recognized under any Law, and all applications and licenses therefor.

"IPO" means an offering of equity securities for which a registration statement is filed under the Securities Act.

"IRe" means the Internal Revenue Code of 1986.

"Knowledge" means the actual knowledge or belief of any officer or member of the Governing Body of a Borrower.

"Law" means applicable constitutional provisions, statutes, codes, acts, ordinances, rules, regulations, orders, common law, principles of equity, and other legal requirements issued by or applied by Governmental Authorities.

"Lenders" means the Lenders named in the preamble hereof, their successors and permitted assigns.

"Liquidity" means cash, Cash Equivalents and availability under the Revolving Commitment (as defined in the Senior Loan Agreement).

"Loan Documents" means, collectively, this Agreement, the Term Loan Notes, the Warrants, and each other writing that evidences, secures, or otherwise relates to the Term Loans, whenever delivered.

"Master Note Purchase Agreement" means that Master Note Purchase Agreement among i3 Verticals and the several purchasers from time to time parties thereto, dated effective February 14, 2014 (as may be amended from time to time in accordance with its terms).

"Material Adverse Change" means any material and adverse change in the business, Properties, financial condition or operations of a Person or its subsidiaries (taken as a whole) or in the validity of any of the Loan Documents. To avoid doubt, (i) the use of a Material Adverse Change to accelerate the maturity of the Obligations is subject to TCA Section 47-1-309, which allows such use by a lender "only if that party in good faith believes that the prospect of payment or performance is impaired," and (ii) a termination of a Material Contract does not in itself mean that a Material Adverse Change has occurred.

"Material Adverse Effect" means any event or condition which, singly or in the aggregate with other events or conditions, would cause a Material Adverse Change.

"Material Contracts" is defined in [Section 5.36](#).

"Maximum Lawful Amount" is defined in [Section 11.1](#).

"Obligations" means all present and future obligations of Borrowers under the Loan Documents (i) to pay principal, interest, and expenses arising under the Loan Documents (including all interest and expenses that accrue after the commencement of any Insolvency Proceeding, whether or not allowed in such case or proceeding), (ii) to perform all indemnities and other monetary and non-monetary obligations arising under the Loan Documents, whether absolute or contingent, and (iii) to pay and perform all other debts and other obligations of a Borrower to Lenders and to Collateral Agent, whether arising by contract, tort, guaranty, or otherwise, whether or not the advances or events creating such debts or other obligations are presently foreseen.

"**Order**" means any money judgment, injunction, order, decree, or other such action of any Governmental Authority, whether or not final.

"**PBGC**" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

"**Perfection Diligence Certificates**" means the Perfection Diligence Certificates delivered to Collateral Agent in connection with this Agreement.

"**Permits**" means all permits, licenses, authorizations, and other formal approvals issued by Governmental Authorities.

"**Permitted Acquisition**" means any Acquisition by the Borrower that occurs subject to the satisfaction of the following conditions:

- (i) before and after giving effect to such Acquisition, no Default or Event of Default has occurred and is continuing or would result therefrom, and all representations and warranties of each Borrower set forth in the Loan Documents shall be and remain true and correct in all material respects;
- (ii) before and after giving effect to such Acquisition, on a Pro Forma Basis, Borrowers are in compliance with each of the financial covenants set forth in Article 8, measuring and calculating the financial covenants set forth in Article 8 as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 6.5(a) or (c) as if such Acquisition had occurred, and any Debt incurred in connection therewith was incurred, on the first (1st) day of the relevant period for testing compliance, and Borrowers shall have delivered to Lenders a pro forma compliance certificate signed by a Responsible Officer certifying to the foregoing at least fifteen (15) days (or such shorter period as Lenders may permit) prior to the date of the consummation of such Acquisition;
- (iii) at least ten (10) days (or such shorter period as Lenders may permit) prior to the date of the consummation of such Acquisition, Borrowers shall have delivered to Lenders notice of such Acquisition, together with historical financial information and analysis with respect to the Person whose stock or assets are being acquired and copies of the acquisition agreement and related documents (including, to the extent required by the underlying acquisition agreement, financial information and analysis, environmental assessments and reports, opinions, certificates and lien searches) and information reasonably requested by any Lenders;
- (iv) such Acquisition is consensual and approved by the board of directors (or the equivalent thereof) of the Person whose stock or assets are being acquired;

- (v) the Person or assets being acquired is in the same type of business conducted by Borrowers on the date hereof or any business reasonably related thereto;
- (vi) such Acquisition is consummated in compliance with all Laws, and all consents and approvals from any Governmental Authority or other Person required in connection with such Acquisition and the pledge of assets to the Collateral Agent with respect to such Acquisition have been obtained;
- (vii) before and after giving effect to such Acquisition and any Debt incurred in connection therewith, each Borrower is Solvent;
- (viii) after giving effect to such Acquisition and any Debt incurred in connection therewith, Liquidity (that is either unencumbered or in accounts controlled by Collateral Agent) of Borrowers is at least \$2,500,000;
- (ix) the Acquisition is for a total purchase price (including management's best estimate at closing of the Acquisition of Contingent Consideration that will ultimately be paid in connection with such Acquisition) below \$10,000,000;
- (x) Borrowers shall execute and deliver to execute and deliver, at the closing of the Acquisition (or such longer period as Lenders may permit) all collateral documents and other related documents required under Section 6.20 and within the timeframe described in Section 6.20;
- (xi) Borrowers have delivered to the Lenders a certificate executed by a Responsible Officer certifying that each of the conditions set forth above has been satisfied; and
- (xii) any Acquisition (including management's best estimate at closing of the Acquisition of Contingent Consideration that will ultimately be paid in connection with such Acquisition) that exceeds a purchase price of \$3,500,000 will require third party due diligence acceptable to the Lenders.

"Permitted Disposition" means (i) the sale or other disposition for fair market value of obsolete or worn out property or other property not necessary for operations disposed of in the ordinary course of business, and (ii) the sale or other disposition of assets in the ordinary course of business, in each case made in the absence of an Event of Default and so long as the net proceeds from any asset sale or any series of related asset sales (other than sales of inventory in the ordinary course of business) in excess of \$250,000 shall be applied to the Term Loan (as defined in the Senior Loan Agreement).

"Permitted Encumbrances" means all of the following:

- (i) Encumbrances securing any of the Obligations;

- (ii) Encumbrances securing the Senior Loan;
- (iii) Encumbrances presently securing other Debt as described in Schedule 5.11;
- (iv) Encumbrances securing Purchase Money Security Interests permitted under Section 7.1;
- (v) Encumbrances securing Taxes not yet delinquent or, if reserve has been made therefor as required by GAAP, those which are due but are being contested in good faith by appropriate action promptly initiated and diligently conducted;
- (vi) mechanics', repairmen's, materialmen's, and other like liens arising from isolated transactions by operation of law in the ordinary course of business securing accounts that are not delinquent or that are being contested diligently and in good faith by appropriate proceedings and as to which Borrowers have set aside reserves on their books in accordance with GAAP or the payment of which obligations are otherwise secured in a manner satisfactory to the Required Lenders (to avoid doubt, landlord's liens are not Permitted Encumbrances and Lenders may require their waiver or subordination);
- (vii) zoning ordinances, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions, and other such Encumbrances on real property not securing monetary obligations and which are of a type customarily placed on real property and do not materially impair the value of the affected Property;
- (viii) Encumbrances arising in the ordinary course of business by virtue of any contractual, statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies covering deposit or securities accounts, but only to the extent securing administrative charges unless otherwise expressly permitted under the applicable Control Agreement;
- (ix) pledges or deposits under workers' compensation, unemployment laws, social security, or other similar statutory obligations made in the ordinary course of business and securing obligations that are not delinquent;
- (x) reasonable and necessary cash deposits made in the ordinary course of business to secure the performance of utility contracts and other such contracts for which pledges or deposits are customary; and
- (xi) Encumbrances granted to any settlement bank, sponsor bank and/or processor in funds, instruments or deposit accounts held by such entities, but only so

long as (i) such Encumbrances are granted in the ordinary course of business under the terms of a sponsorship or processing agreement to which any Borrower is a party and, (ii) such Encumbrances secure only ordinary course liabilities arising under any such sponsorship or processing agreement, and (iii) such Encumbrances do not extend to any Property of any Borrower other than that held by the other party to such sponsorship or processing agreement and the amount of such Encumbrances shall not exceed the amount owed by Borrowers under any such agreement.

"Permitted Equity" means Equity Interests issued by a Borrower after the Closing Date that are (i) approved by the Required Lenders, or (ii) are not approved by the Required Lenders, but which (A) do not impose upon a Borrower any obligation of redemption, payment of dividends, or like obligation, unless expressly subordinate to the full payment of the Obligations, and (B) to the extent required to be pledged pursuant to [Section 6.4\(c\)](#) hereof, are when issued made subject to a first priority perfected security interest in favor of Collateral Agent pursuant to documents approved by Collateral Agent in the instance.

"Permitted Tax Distribution" is defined in [Section 7.3](#).

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority, and any other form of legally recognized entity.

"Plan" means any employee benefit or other plan established or maintained, or to which contributions have been made, by a Borrower or any ERISA Affiliate of a Borrower and covered by Title IV of ERISA or to which Section 412 of the IRC applies.

"Pro Forma Basis" means, (i) with respect to any Person, business, property or asset acquired in a Permitted Acquisition or other Acquisition approved in writing by Lenders, the inclusion as "EBITDA" of the Acquisition EBITDA mutually agreed upon by Borrowers, Lenders, and the Senior Lender, for such Person, business, property or asset as if such Permitted Acquisition or Acquisition had been consummated on the first (1 st) day of the applicable period, based on historical results accounted for in accordance with GAAP, and (ii) with respect to any Person, business, property or asset sold, transferred or otherwise disposed of, the exclusion from "EBITDA" of the EBITDA for such Person, business, property or asset so disposed of during such period as if such disposition had been consummated on the first day of the applicable period, in accordance with GAAP.

"Proceeding" means any litigation, arbitration, administrative proceeding, tax audit, investigation, or other action, proceeding, or formal investigation undertaken by or through any court or other Governmental Authority.

"Property" or **"Properties"** means any interest in any kind of property, whether real, personal, or mixed, or tangible or intangible.

"**Pro Rata**" means an apportionment based upon the relative principal amounts of the Term Loans (being 50% Harbert, 25% CCSD I, and 25% CCSD II as of the Closing Date).

"**Pro Rata Share**" means a share determined on a Pro Rata basis.

"**Purchase Money Security Interests**" means Encumbrances securing purchase money obligations (including Capital Leases) made to acquire or construct Equipment, which Encumbrance (i) is perfected within twenty (20) days after acquisition thereof, (ii) does not secure a principal amount exceeding the purchase price of the Equipment, (iii) secures an obligation that is payable on an approximately level basis over a period that does not exceed the useful life of the asset, and (iv) only encumbers the asset so purchased.

"**Required Lenders**" means Lenders owning more than half of the total outstanding principal balance of the Term Loans.

"**Responsible Officer**" means either the president, vice president, chief financial officer, treasurer or secretary of Borrowers or such other representative of Borrowers as may be designated in writing by anyone of the foregoing.

"**Restatement Closing Date**" means the date of this Agreement.

"**SBA**" means the United States Small Business Administration.

"**SBIC Act**" means the Small Business Investment Act of 1958.

"**SEC**" means the United States Securities and Exchange Commission (or any other federal agency at that time administering the Securities Act and/or the Exchange Act).

"**Securities Act**" means the Securities Act of 1933.

"**Security Agreement**" means that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent, as amended, modified, or restated from time to time.

"**Seller Notes**" means collectively, the DBS Seller Note, the APS Seller Note, and any other note or purchase price obligation executed at any time by any Borrower in favor of any seller in connection with any Acquisition or Permitted Acquisition (other than a note evidencing Contingent Consideration).

"**Senior Lender**" means a lender who extends credit to Borrowers that is subject to a Senior Subordination Agreement, and its successors and permitted assigns and replacements.

"**Senior Loan**" means Debt held by Senior Lender and which is subject to and permitted under a Senior Subordination Agreement.

"Senior Loan Agreement" means that Amended and Restated Term Loan Agreement and Revolving Loan Agreement dated as of the date hereof among Borrowers, certain lenders signatory thereto, and First Bank, as Administrative Agent for such lenders (as may be amended from time to time in accordance with its terms and the Senior Subordination Agreement).

"Senior Subordination Agreement" means a subordination agreement with a Senior Lender in form and substance approved and executed by Collateral Agent and Lenders, pursuant to which Collateral Agent's and each Lender's rights are made subordinate to the rights of the Senior Lender in certain respects. Without limiting in any respect Collateral Agent's and each Lender's discretion in approving other terms and conditions of a Senior Subordination Agreement, Collateral Agent and Lenders shall be under no obligation to consider such an agreement if it (i) permits Senior Debt exceeding **110%** of the principal debt committed by the Senior Lender, (ii) imposes payment blockage or a remedies standstill without written notice to Lenders, (iii) imposes payment blockage for more than one hundred eighty (180) days on account of defaults other than monetary defaults, (iv) imposes a remedies standstill period that extends for more than one hundred eighty (180) days or that impairs Lenders' ability to charge the Default Rate or to obtain equitable relief for non-monetary breaches by Borrowers, (v) requires the release of Collateral Agent's security interest in consensual dispositions of Borrower's assets, (vi) permits the amendment of the senior loan documents without Collateral Agent's and each Lender's consent in any way that would make the documents less advantageous to Borrowers in any material respect, (vii) encumbers or restricts remedies regarding the key man life insurance on Greg Daily or the Equity Interests of i3 Verticals that are required to secure the Obligations, or (viii) materially impairs the ordinary rights that Collateral Agent and Lenders would have in a Borrower's bankruptcy case.

"Solvent" means, as to any Person, that as of the date of determination, (i) the fair value of the Property of such Person is greater than the total amount of liabilities of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its Debts as they become absolute and matured, and (iii) such Person does not intend to, or believe or reasonably should have believed that such Person will, incur liabilities beyond its ability to repay as they become due.

"Subordinated Seller Debt" means unsecured Debt that the Required Lenders may approve and that is held by a seller to a Borrower of assets or of Equity Interests in a Permitted Acquisition, which Debt is subject to a subordination agreement in form and substance approved and executed by Collateral Agent, and pursuant to which Collateral Agent's and each Lender's rights are made senior to the rights of the seller. Collateral Agent may require that such Debt is deeply subordinated and favorable to Collateral Agent and Lenders in all respects, including an unlimited payment blockage and standstill period as to all remedies during the continuation of an Event of Default.

"Subrogation Rights" means all rights of indemnity, exoneration, subrogation, contribution, and any other such rights that may apply among Borrowers respecting the Obligations.

"Subsidiary" means, with respect to any Person (the "parent"), any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of

which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, joint venture, limited liability company, association or other entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power, or in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (ii) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"**Taxes**" means all taxes and other assessments and remittance obligations imposed by any Governmental Authority on a Borrower or on any of its Properties.

"**Term Loans**" is defined in [Section 2.1](#).

"**Term Loan Maturity Date**" is defined in [Section 2.8](#).

"**Term Loan Notes**" means those three Secured Term Loan Notes dated as of the Closing Date made by Borrowers payable to the order of the respective Lenders in the amount of their respective Term Loans.

"**UCC**" means the Uniform Commercial Code as adopted in the State of Tennessee.

"**USDC**" means U.S. Data Capture, Inc., a New York corporation.

"**USDC Partners**" means USDC Partners, LLC, a New York limited liability company.

"**Warrants**" means the Warrants issued to Lenders on the Closing Date Pro Rata, which provide for the rights to purchase in the aggregate up to 9.5% of i3 Verticals's fully-diluted common equity as of the Closing Date.

1.2 Additional Defined Terms. Certain defined terms are defined elsewhere in the body of this Agreement and the other Loan Documents. Additional definitions related primarily to financial covenants are set forth in [Article 8](#).

1.3 Computations; Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purposes of any Loan Document, such determination or computation shall be made in accordance with GAAP to the extent applicable and except as may be otherwise specified. If a change in GAAP after the Closing Date would require a change affecting the calculation of any requirement under this Agreement, then Lenders and Borrowers shall negotiate in good faith for the amendment of the affected requirements; provided, however, until and unless such an amendment is agreed upon, the requirements of this Agreement shall remain as written and compliance therewith shall be determined according to GAAP as in effect prior to the change.

1.4 Standards for Consent Whenever any Loan Document conditions any matter upon the approval, consent, specification of requirements by, or other such act of a Lender or Collateral Agent, such actions shall be deemed taken or withheld only as such Lender or Collateral Agent may elect in writing (whether or not the specific provision requires a writing) in its sole and absolute discretion, unless another standard is expressly stated.

1.5 References to Documents. Any reference in a Loan Document to another document shall include all schedules, exhibits, supplements, and addenda thereto (however denominated) and shall include such documents as they may be amended, modified, supplemented, or restated from time to time, unless (i) otherwise expressly specified, or (ii) such amendment, modification, supplementation, or restatement is prohibited by any Loan Document.

1.6 References to Laws. Unless otherwise specified, any reference in a Loan Document to a Law, means (i) such Law as in effect as of the Closing Date and as it may hereafter be amended and (ii) all future substitutions for such Law.

1.7 References to this Agreement. "Herein," "hereof" and words of similar import in the Loan Documents refer to the entire document in which they appear and not to any particular provision thereof, unless otherwise expressly stated. References to Articles, Sections, Exhibits, or Schedules are to those included in this Agreement unless otherwise specified.

1.8 Other Interpretive Conventions. Except where a Loan Document expressly provides otherwise, (i) the word "includes" and variants thereof mean "including, but not limited to", (ii) the disjunctive "or" includes the conjunctive ("and/or"), and (iii) the meanings given to terms defined herein shall be equally applicable to both the singular and plural forms thereof (without limitation, any requirement of "Borrowers" or "all Borrowers" shall apply to Borrowers both jointly and severally).

ARTICLE 2. TERM LOANS

2.1 Amount of Term Loans; Term Loan Notes. Lenders severally and not jointly agree to lend to Borrowers the aggregate sum of Ten Million Five Hundred Thousand and No/100 Dollars (\$10,500,000.00) (the "**Term Loans**"), on the terms and conditions set forth in this Agreement. The Term Loans shall be further evidenced by the Term Loan Notes. The Term Loans shall be allocated between Lenders as follows:

CCSD II	\$2,625,000
CCSD I	\$2,625,000
Harbert	\$5,250,000

2.2 Use of Proceeds. The proceeds of the Term Loans have been used to fund certain permitted acquisitions by the Borrowers, to pay transaction costs of such transactions and this Agreement, and to provide working capital to Borrowers.

2.3 Advances. The Term Loans shall be disbursed by Lenders Pro Rata in an advance made on the Closing Date in the amount of Nine Million and No/100 Dollars (\$9,000,000.00) (the "**Initial Advance**") and an advance made on a subsequent date on or before December 31, 2013, in the amount of One Million Five Hundred Thousand and No/100 (\$1,500,000.00) (the "**Second Advance**").

2.4 Accrual of Interest. Interest shall accrue on the outstanding principal balance of the Term Loans at the rate of twelve percent (12.0%) per annum (based upon a 360-day year and actual days elapsed); provided, however, upon the occurrence and during the continuation of an Event of Default, Interest shall accrue at the Default Rate.

2.5 Interim Payments of Interest. Interest on the Term Loans shall become due in arrears on the first day of each month, commencing September 1, 2013.

2.6 Voluntary Prepayments of Principal. Borrowers may voluntarily prepay principal of the Term Loans, in whole or in part, without premium or penalty; provided, however, that any prepayment must be made upon at least five (5) calendar days' prior written notice to Lenders.

2.7 Mandatory Prepayment of Principal. Borrowers shall cause the direct payment by the insurer to Collateral Agent of any proceeds of life insurance on Greg Daily that is assigned to Collateral Agent to secure the Obligations, and these proceeds shall be applied to expenses, then interest, and then principal included in the Obligations as a prepayment of the Obligations.

2.8 Final Payment of All Amounts. All remaining principal, interest, and other Obligations shall become due in full upon the first to occur of (i) an IPO, (ii) acceleration due to an Event of Default, or (iii) February 13, 2019 (the "**Term Loan Maturity Date**").

2.9 Late Fee. If any payment of principal, interest, fees, or expenses due to Lenders respecting the Term Loans is not paid within ten (10) days after it is due, a late fee of five percent (5%) of such amount shall accrue and be immediately due and payable. The delay of the accrual of this late fee does not evidence or imply any obligation upon Collateral Agent or Lenders to forbear in the exercise of remedies available upon an Event of Default.

2.10 Processing Fee. Borrowers shall pay to Lenders Pro Rata a processing fee in the total amount of One Hundred Eighty Thousand and No/100 Dollars (\$180,000.00) upon funding of the Initial Advance at the Closing and Thirty Thousand and No/100 Dollars (\$30,000.00) upon funding of the Second Advance.

2.11 Pro Rata Direct Payments. All Payments of principal and interest respecting the Term Loans shall be paid by Borrowers directly to the respective Lenders, Pro Rata.

2.12 Manner of Payment. All payments on the Term Loans shall be made by bank draft, unless the applicable Lender requires payment by wire or another commercially reasonable method.

2.13 Value of Warrants. Borrowers and Lenders agree that for tax and accounting purposes, reasonable values of the Warrants as of the Closing Date are as set forth below, and they will take accounting and tax positions consistent with these valuations.

<u>Warrant Issued to:</u>	<u>Value:</u>
CCSDI	\$0.00
CCSD II	\$0.00
Harbert	\$0.00

ARTICLE 3. RELATIONSHIP OF BORROWERS

Borrowers jointly and severally warrant and represent to Lenders and Collateral Agent, and agree with Lenders and Collateral Agent, as follows:

3.1 Joint and Several Liability. Borrowers are interdependent for their operational and financial needs, and they, Lenders, and Collateral Agent intend that each Borrower be jointly and severally liable for each monetary obligation, warranty, and covenant obligation arising under this Agreement. This Agreement is fair to all Borrowers, and the delivery of funds to a Borrower under this Agreement shall constitute valuable consideration and reasonably equivalent value to all Borrowers for the purpose of jointly and severally binding them and their assets to secure the Obligations. Lenders and Collateral Agent may enforce this Agreement against a Borrower without first making demand upon or instituting collection proceedings against any other Borrower.

3.2 Funding Requests and Administration. A Borrower may act on behalf of all Borrowers for the purpose of giving and receiving notices and otherwise acting in the administration of this Agreement. Any dealing of a Borrower with Lenders or Collateral Agent under this Agreement or any other Loan Document shall be deemed for the benefit of, and on behalf of, all Borrowers.

3.3 Unconditional Obligation. The unconditional liability of each Borrower for the entire amount of the Obligations shall not be impaired by any event whatsoever (other than the discharge of such Borrower by indefeasible payment in cash), including, without limitation, the merger, consolidation, dissolution, cessation of business, or liquidation of any other Borrower; the financial decline or bankruptcy of any other Borrower; the failure of any other party to guarantee the Obligations or to provide collateral therefor; Collateral Agent's or any Lender's compromise or settlement with or without release of any other Borrower, with or without reservation of rights; Collateral Agent's or any Lender's release of any collateral for the Obligations, with or without notice to a Borrower; Collateral Agent's or any Lender's forbearance in the exercise of any available remedies, including the failure to file suit against any other Borrower; Collateral Agent's or any Lender's failure to give a Borrower notice of default; the unenforceability of the Obligations against any other Borrower due to bankruptcy discharge, affirmative defense, counterclaim, or for any

other reason; Collateral Agent's or any Lender's acceleration of the Obligations; the extension, modification, or renewal of the Obligations; Collateral Agent's or any Lender's failure to undertake or exercise diligence in collection efforts against any party or Property; the termination of any relationship of a Borrower with any other Borrower, including, without limitation, any relationship of commerce or ownership; a Borrower's change of name or use of any name other than the name used to identify such Borrower in this Agreement; or a Borrower's use of the credit extended by Lenders for any purpose whatsoever.

3.4 Subrogation Rights. Borrowers' respective Subrogation Rights with respect to the Obligations are not impaired by this Agreement and are appropriately taken into account in determining that each Borrower is Solvent. Settlement responsibilities for the Obligations among Borrowers shall be allocated in the application of Subrogation Rights as to best uphold the validity of this Agreement and to give effect to Section 3.5; provided, however, each Borrower agrees not to make any claim against or seek any payment directly or indirectly from another Borrower with respect to any Subrogation Right until the Obligations have been indefeasibly paid in full.

3.5 Savings Provision. If, notwithstanding the contrary agreement and intention of the parties hereto, the liability of a Borrower hereunder for the entire amount of the Obligations shall be subject to avoidance, reduction, or limitation under any state or federal fraudulent conveyance law or other Law that may be determined to be applicable, the liability of such Borrower shall be limited to the maximum amount for which such Borrower may be liable without legal impairment.

3.6 Independent Existence. The joint and several liability of Borrowers for the Obligations does not impair their separate legal existence, and Borrowers warrant and represent that they do, and agree that they shall continue to, conduct their affairs so as to maintain their separate legal existence.

ARTICLE 4. CONDITIONS

4.1 Documentary Conditions to Initial Advance. As conditions to the funding of the Initial Advance, Lenders and Collateral Agent shall have received all of the documents required for delivery at the Closing in the Closing Agenda appended hereto as Exhibit 4.1, which documents shall be, in the discretion of Lenders, Collateral Agent, and their counsel, sufficient to:

- (i) establish the existence and authority of all Borrowers and other Persons executing Loan Documents;
- (ii) evidence the Obligations;
- (iii) secure the Obligations with the real and personal property Collateral provided by Borrowers, with the priority required in this Agreement;
- (iv) provide assurances to Lenders from landlords of Borrowers' locations (if not available at the Closing, such assurances shall be delivered within forty-five (45) days after the Closing);

- (v) provide Control Agreements with respect to Borrowers' deposit and securities accounts, approved by Lenders (if not available at the Closing, such documents shall be delivered within forty-five (45) days after the Closing);
- (vi) evidence that the required key man insurance on Greg Daily is in effect and pledged to secure the Obligations;
- (vii) secure the Obligations with the Equity Interests of i3 Verticals, with the priority required in this Agreement;
- (viii) evidence that all other required insurance is in effect;
- (ix) evidence the issuance of the Warrants;
- (x) evidence Borrowers' counsel's opinions as to customary matters;
- (xi) comply with all applicable SBA Laws;
- (xii) evidence the subordination of the Daily Loan; and
- (xiii) otherwise serve such purposes incidental to the Closing as Lenders or Collateral Agent may reasonably require.

4.2 Additional Conditions to Initial Advance. As conditions to the funding of the Initial Advance, the following additional conditions shall have been satisfied in a manner approved by Lenders and their counsel:

- (i) satisfactory completion of financial, accounting, tax, management, legal, environmental, insurance, industry, compliance, vendor, customer, and other due diligence by Lenders and their diligence consultants;
- (ii) Lenders' satisfaction that the combined EBITDA of Borrowers (including the historical EBITDA of USDC, adjusted as Lenders may require) will be at least \$2,100,000 at the Closing;
- (iii) Lenders' approval of the final sources and uses of funds, including transaction fees;
- (iv) Lenders' approval of employment agreements, non-compete agreements, non-solicitation agreements, and other such agreements with all key employees of Borrowers;
- (v) Lenders' approval of all Material Contracts;

- (vi) the approval of Lenders' Investment Committees shall have been obtained;
- (vii) there must be no Material Adverse Change respecting a Borrower since the date of their applicable Financial Statements;
- (viii) Borrowers' payment of all of Lenders' reasonable out-of-pocket diligence expenses and the fees and expenses of Lenders' counsel; and
- (ix) such other conditions as Lenders or Collateral Agent may reasonably require.

4.3 Documentary Conditions to Second Advance. As conditions to the funding of the Second Advance, Lenders and Collateral Agent shall have received:

- (i) all of the documents that were conditions to the Initial Advance and additional documents to in like manner evidence and secure the Obligations and Collateral Agent's security interests and liens securing the Obligations, taking into account the acquisition of assets of USDC Partners;
- (ii) copies of all documents evidencing the Acquisition of USDC Partners;
- (iii) a written request for advance at least ten (10) days prior to the date on which the closing of the Acquisition of USDC Partners, and the Second Advance, are to occur; and
- (iv) a closing certificate issued by Borrowers as of the date of the Second Advance, confirming (i) the accuracy of all representations and warranties made in this Agreement (updated to be effective as of the making of the Second Advance and giving effect to the Acquisition of USDC Partners) and (ii) the absence of any Default, any Event of Default, and any Material Adverse Change.

4.4 Additional Conditions to Second Advance. As conditions to the funding of the Second Advance, the following additional conditions shall have been satisfied in a manner approved by Lenders and their counsel:

- (i) Lenders' satisfaction that all conditions to the Initial Advance listed in Section 4.2 were satisfied and, to the extent applicable, remain so as of the making of the Second Advance (to avoid doubt, this does not require additional Investment Committee approval);
- (ii) Lenders' satisfaction that the combined EBITDA of Borrowers (including the historical EBITDA of USDC Partners, adjusted as Lenders may require) will be at least \$2,100,000 at the Closing;
- (iii) the absence of a Default or Event of Default; and

- (iv) the absence of a Material Adverse Change.

ARTICLE 5.
REPRESENTATIONS AND WARRANTIES

As an inducement to cause Lenders and Collateral Agent to enter into the Loan Documents, Borrowers jointly and severally represent and warrant to Collateral Agent and Lenders as follows as of the Restatement Closing Date:

5.1 Capacity. Each Borrower is an entity of the type denoted in the preamble of this Agreement and is duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its formation. Each Borrower is qualified to do business as a foreign entity in all jurisdictions that require such qualification. Each Borrower exists and operates in full accordance with its Constituent Documents. Each Borrower has the full power and authority to own its Properties and to carry on its business as now being conducted and as proposed to be conducted after the execution of this Agreement, and to execute, deliver, and perform under the Loan Documents.

5.2 Authorization. The execution, delivery, and performance of the Loan Documents by each Borrower have been duly authorized by all requisite action of its Governing Body, owners of its Equity Interests, and any other Persons required under its Constituent Documents.

5.3 Binding Obligations. The Loan Documents have been duly executed and delivered to Lenders and Collateral Agent and are the legal, valid, and binding obligations of each Borrower, enforceable in accordance with their respective terms, subject only to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws.

5.4 No Conflicting Law or Agreement. The execution, delivery, and performance of the Loan Documents by the respective Borrowers do not and will not (i) breach, cause a default under, conflict with, cause any Encumbrance to arise under, or cause any economic, governance, or management rights to change under, any provisions of the Constituent Documents of a Borrower, (ii) violate any Law to which a Borrower is subject or by which any of its Properties are bound, (iii) violate the terms of any Order applicable to a Borrower or any of its Properties, (iv) violate or impair any Permit necessary to a Borrower's operations, or (v) breach, cause a default under, conflict with, cause any Encumbrance to arise under, or cause any economic, governance, or management rights to arise or change under, any Contract.

5.5 No Consent Required. Except as listed in Schedule 5.5, the execution, delivery, and performance of the Loan Documents by Borrowers do not require the consent or approval of, or the giving of notice to, any Person except for (i) consents required under Borrowers' respective Constituent Documents, all of which consents have been finally obtained and remain in effect, and (ii) the filing of Loan Documents and the taking of other actions expressly provided for in the conditions to closing stated in this Agreement.

5.6 Pending Orders. Schedule 5.6 lists all Orders to which a Borrower is a party or by which a Borrower or its Properties are or would be otherwise affected. Borrowers are in full compliance with all such Orders.

5.7 Pending Proceedings. Schedule 5.7 lists all pending and threatened Proceedings to which a Borrower is (or if only threatened, would) be a party or by which a Borrower or its Properties are or would be otherwise affected.

5.8 Past Proceedings. Schedule 5.8 lists all Proceedings and Orders that are no longer pending or threatened but to which a Borrower has been a party or by which a Borrower or its Properties were otherwise affected, in each case since their formation.

5.9 Financial Statements. Except as listed in Schedule 5.9, (i) the financial statements of Borrowers have been prepared in accordance with GAAP (subject to year-end adjustments and footnotes) and present fairly in all material respects the financial condition of Borrowers as of the date stated therein, and (ii) no Material Adverse Change has occurred to any Borrower since the date of the most recent such financial statements.

5.10 Fiscal Year. Each Borrower's Fiscal Year ends on September 30 of each year.

5.11 Debt and Related Encumbrances. Schedule 5.11 is a list of all Debt of each Borrower other than the Term Loans and a description of collateral securing the Debt so listed.

5.12 Off-Balance Sheet Transactions. Except as listed in Schedule 5.12, no Borrower is a party to any sale-leaseback transaction, securitization, sale of accounts, financial accommodations with Affiliates, or any other transactions that could be construed as off-balance-sheet financing methods.

5.13 Taxes; Governmental Charges. Each Borrower has filed or caused to be filed all tax returns (including informational returns) required by Law. Each Borrower has paid, or made adequate provision for the payment of, all Taxes that are due or are alleged to be due by any Governmental Authority, except for such Taxes, if any, that (i) are being contested in good faith by appropriate proceedings, (ii) for which adequate reserves have been provided, and (iii) are described in Schedule 5.13. No extension of time for the assessment of Taxes or the filing of any return by a Borrower is in effect.

5.14 ERISA Plans. Schedule 5.14 lists all Plans which a Borrower has sponsored or to which it has made any contributions.

5.15 Title to Properties. Each Borrower has good and marketable title to its Properties, free and clear of all Encumbrances, except for Permitted Encumbrances.

5.16 Property in Borrowers' Possession. Borrowers are not in possession of a material amount of Property belonging to Persons other than Borrowers. Without limitation, Borrowers do not possess any Property held by them on consignment from other Persons.

5.17 Locations of Property. Except for immaterial amounts of Property temporarily in the possession of vendors for repairs and other incidental purposes in the ordinary course of business, all of Borrowers' Property is located at (i) Borrowers' locations listed in Schedule 5.17, and (ii) those additional locations described in Schedule 5.17.

5.18 Condition of Properties. Except as listed in Schedule 5.18, each Borrower's material Properties are in good condition, ordinary obsolescence and wear and tear excepted, and are sufficient for the operation of such Borrower's business.

5.19 Casualties and Extraordinary Events. Except as listed in Schedule 5.19, neither the business nor the Property of a Borrower is impaired or under threat of impairment in any way that could have a Material Adverse Effect as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike, or other labor disturbance, embargo, requisition, or taking of Property, cancellation of Contracts or Permits, concessions by any domestic or foreign government or any agency thereof, riot, activities of armed forces, acts of God or of any public enemy, or any other force majeure.

5.20 Condemnation. Except as listed in Schedule 5.20, no Property of a Borrower is subject to any condemnation or other such Proceeding or, to Borrowers' Knowledge, is subject to a threat thereof.

5.21 Intellectual Property. Schedule 5.21 lists all material IP necessary to the operation of Borrowers' business (other than licenses of off-the-shelf software) and sets forth the registration information for all IP that has been registered with any Governmental Entity. Each Borrower (i) owns or possesses adequate licenses or other rights to use all IP as to entitle it to conduct its business as presently conducted, without infringement upon the rights of any Person, is in compliance in all material respects with all IP rights granted by other Persons, (iii) has taken reasonable steps to protect its proprietary interests in its IP, and (iv) has no Knowledge of any infringement or any adverse claim affecting its use of any such IP.

5.22 Equity Interests. Except as listed in Schedule 5.22, no Borrower owns any Equity Interests.

5.23 Hedge Agreements. Except as listed in Schedule 5.23, no Borrower is a party to any Hedge Agreement.

5.24 Compliance With Laws. Except as listed in Schedule 5.24, no Borrower is in violation of any Law to which it or any of its Properties are subject in any respect that could have a Material Adverse Effect, and to Borrowers' Knowledge, there are no outstanding citations, notices, investigations, or orders of noncompliance issued to a Borrower relating to any Law.

5.25 Environmental Compliance. Except as listed in Schedule 5.25, (i) each Borrower has complied with, and its Properties are owned and operated in compliance with, all Environmental Laws, except as could not in the aggregate have a Material Adverse Effect, and (ii) there have been no citations or notices of non-compliance of Environmental Laws issued to a Borrower.

5.26 ERISA. Borrowers are in compliance in all material respects with ERISA and all other applicable laws governing any Plan to which it is a party. No reportable Event presently exists or is threatened.

5.27 Investment Company Act. No Borrower is an "investment company" under the Investment Company Act of 1940.

5.28 Personal Holding Company. No Borrower is a "personal holding company" as defined in Section 542 of the IRC.

5.29 Labor Matters. Except as set forth in Schedule 5.29, (i) no Borrower is subject to any collective bargaining agreement or any Order requiring it to recognize, deal with, or employ any Person, (ii) no demand for collective bargaining has been asserted against a Borrower by any union or organization, (iii) no Borrower has experienced any strike, labor dispute, slowdown, or work stoppage due to labor dispute, and (iv) to Borrowers' Knowledge, there is no such strike, dispute, slowdown, or work stoppage threatened against a Borrower.

5.30 Regulation U. No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying "margin stock" (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System). No proceeds of the Term Loans will be used to purchase or carry any such margin stock.

5.31 Affiliate Transactions. Except as listed in Schedule 5.31, no Borrower is or has been within the past three (3) years a party to any Contract with or for the benefit of any of its Affiliates, other than (i) obligations under its Constituent Documents, (ii) Contracts among Borrowers, and (iii) employment agreements otherwise disclosed pursuant to this Agreement.

5.32 Capitalization.

- (a) **Capitalization Table.** Schedule 5.32 describes (i) the Equity Interests of Borrowers and holders thereof, as outstanding and also on a fully-diluted basis (assuming conversion of all convertible securities and the exercise of all options, regardless of pricing or conditions), (ii) with respect to all outstanding warrants, options, and other such rights, the total number of shares or interests issuable upon exercise thereof, the exercise prices thereunder, and the expiration date thereof, and (iii) any obligation (contingent or otherwise) to repurchase, redeem, retire, or otherwise acquire any of its Equity Interests.

- (b) **Phantom Equity.** Schedule 5.32 also lists all of Borrowers' obligations to pay or otherwise compensate any employee or other Person based upon the enterprise value of Borrowers or occasioned by a sale of assets or equity of a Borrower under any phantom equity plan, employment agreement with a participation feature, or other such Contract.
- (c) **Validity of Equity Interests.** All of the outstanding Equity Interests of Borrowers are validly issued, fully paid, and nonassessable.

5.33 Permits. Schedule 5.33 lists all Permits that are necessary to Borrowers' operations, except for licenses that can be obtained upon the payment of a fee and completion of administrative applications without any inspection, regulatory approval, background check, or other substantive qualification. All listed Permits are validly outstanding; each Borrower is in material compliance with the requirements thereof; and Schedule 5.33 lists all citations and written allegations of violations of the listed Permits that have been received within the last three (3) years, together with a summary of the matter and its resolution.

5.34 Employment Agreements. Schedule 5.34 lists all Contracts pursuant to which a Borrower engages (i) any member of its Governing Body or any officer, or (ii) any other employee, consultant, or like Person, except for (A) obligations of indemnity and other general obligations arising under a Borrower's Constituent Documents, and (B) Contracts that are terminable at will by Borrower without payment of any severance fees, penalties, or other amounts except for ordinary compensation and benefits earned through the date of termination.

5.35 Management. Schedule 5.35 lists all officers of Borrowers and all members of Borrowers' Governing Bodies.

5.36 Material Contracts. Schedule 5.36 lists all of Borrowers' Contracts (except for employment Contracts disclosed pursuant to Section 5.34) that are (i) processing agreements with FDS Holdings, Inc., as successor to Paymentech, L.P. and Global Payments Direct, Inc. and all other such processing agreements, (ii) real estate leases or real estate licenses, (iii) with any vendor that represents more than fifteen percent (15%) of Borrowers' expenses during the most recent twelve (12) months, (iv) are with any customer that represents more than fifteen percent (15%) of Borrowers' sales during the most recent twelve (12) months, (v) are asset or stock purchase agreements executed by Borrower in connection with an Acquisition, including any Permitted Acquisition; or (vi) are otherwise Contracts which, if breached by the other party, could result in a Material Adverse Effect (all of the listed Contracts, together with the employment Contracts listed in Schedule 5.34, are referred to as the "**Material Contracts**"). Each Material Contract is in full force and effect, and no Borrower has Knowledge of any reason why such Contract will not remain in full force and effect, without breach, pursuant to the terms thereof.

5.37 Insurance. All insurance of which Borrowers are providing evidence at the Closing pursuant to Section 6.14 is in full force and effect with the coverage as represented to Lenders.

Except as listed in Schedule 5.37, Borrowers have no pending insurance claims under any present or former policy of insurance.

5.38 Non-Compete Agreements. Schedule 5.38 lists all Contracts (i) under which a Borrower is the beneficiary of a covenant not to compete or a covenant not to solicit given by any Person, and (ii) under which a Borrower or, to Borrowers' Knowledge, any officer or member of the Governing Body of a Borrower, has undertaken a covenant not to compete or a covenant not to solicit in favor of any Person in a manner that could restrict their ability to be associated with Borrowers in respect of Borrowers' Line of Business or reasonable expansions thereof.

5.39 Delivery of Scheduled Agreements. Borrowers have delivered or made available to Lenders complete and correct copies of all Contracts, Permits, and other documents that are listed in the Schedules to this Agreement.

5.40 Perfection Diligence Certificates. The Perfection Diligence Certificates are complete and correct in all material respects.

5.41 Fees/Commissions. Except as listed in Schedule 5.41, no Borrower has agreed to pay any finder's fee, commission, origination fee (except for the fees to Lender provided for in this Agreement), or other such fee or charge to any Person or entity with respect to the Term Loans and the other transactions contemplated hereunder.

5.42 Accuracy of Projections. All business plans and other forecasts and projections furnished by or on behalf of Borrowers to Lender at or prior to Closing relating to the financial condition, business, operations, or Properties of Borrowers were, when given, and are (i) complete and correct in all material respects as to matters presented therein as facts, and (ii) to the Knowledge of Borrowers, were and are reasonable as to the estimates and assumptions made therein (although all forward-looking estimates and assumptions are subject to uncertainty).

5.43 Full Disclosure of Material Facts. To Borrowers' Knowledge, Borrowers have fully advised Lender of all matters involving the financial condition, business, operations, and Properties of Borrowers that would be reasonably expected to have a Material Adverse Effect. To Borrowers' Knowledge, no representation or warranty given by Borrowers contained in this Agreement or the other Loan Documents and no information, exhibit, or report furnished or to be furnished by Borrowers to Lender in or in connection with this Agreement or the other Loan Documents contains, as of the date thereof, any misrepresentation of fact or failed to state any material fact, the omission of which would render the statements therein materially false or misleading.

5.44 Recitals. The facts stated in the Recitals of this Agreement are correct.

5.45 Small Business Concern. Borrowers acknowledge that CCSD I and CCSD II are each a small business investment company licensed by the SBA. Borrowers represent and warrant that, taken together with its "affiliates" (as that term is defined in 13 C.F.R. §121.103), it is a "Small Business Concern" within the meaning of 13 C.F.R. §107, and meets the applicable size eligibility

criteria set forth in 13 C.F.R. §121.301(c)(1) or the industry standard covering the industry in which a Borrower is primarily engaged as set forth in 13 C.F.R. §121.301(c)(2). No Borrower presently engages in any activities for which a small business investment company is prohibited from providing funds by 13 C.F.R. §107.720.

ARTICLE 6.
AFFIRMATIVE COVENANTS

Borrowers jointly and severally covenant with Lenders and Collateral Agent as set forth in this Article.

6.1 Maintenance of Existence. Each Borrower shall maintain its existence and good standing in its state of formation and all necessary qualifications in other states.

6.2 Payment of Obligations. Borrowers shall pay all amounts owed under the Obligations when due.

6.3 Accounts and Records. Borrowers shall maintain current, accurate, and complete books and records in accordance with good business practices to support the preparation of financial statements in accordance with GAAP.

6.4 Collateral for Obligations.

(a) **All Property of Borrowers.** The Obligations shall at all times be secured by a perfected security interest or other lien upon all of Borrowers' presently owned and hereafter acquired Property, subject only to Permitted Encumbrances, and Borrowers shall promptly execute and deliver such documents and take such other actions from time to time as Lenders may reasonably request to this end.

(b) **Key Man Insurance.** The Collateral provided by Borrowers shall at all times include a life insurance policy on Greg Daily in the amount of at least \$5,000,000 as of the Closing and \$10,000,000 by ninety (90) days after the Closing. The lien upon such policy shall be of first priority and shall not be subject to any restriction under the Senior Subordination Agreement.

(c) **Equity of i3 Verticals.** The Obligations shall be further secured by a first priority perfected security interest in all of the Equity Interests of i3 Verticals that are at the time of determination owned by (i) any of the "Grantors" under that LLC Interests Security Agreement securing the Obligations dated as of August 14, 2013, as amended by that First Amendment to LLC Interests Security Agreement dated on or around February 14, 2014, or (ii) any Affiliate of any of them. Solely for purposes of this Section 6.4(c), "Affiliate" shall mean (i) any other Person who directly or indirectly Controls, is directly or indirectly Controlled by, or is directly or indirectly under common Control with, the specified Person, and (ii) if any such Grantor or an Affiliate thereof under the foregoing subsection (i) is a natural Person, each member of such individual's Immediate Family (as defined in the definition of "Affiliate" in Section 1.1 hereof). The security interest in

such Equity Interests shall be of first priority and shall not be subject to any restriction under the Senior Subordination Agreement except as Lenders and Collateral Agent may otherwise agree.

6.5 Financial Statements and Reports. Borrowers shall deliver to Lenders each of the financial statements and other reports described below.

(a) **Monthly Financial Reports.** As soon as available, and in any event within forty-five (45) days after the end of each Fiscal Quarter, Borrowers shall deliver to Lenders (i) the unaudited consolidated and consolidating balance sheets of Borrowers, as at the end of such Fiscal Quarter, and the related consolidated and consolidating statements of income and cash flows for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, (ii) a report in consolidated and consolidating form setting forth in comparative form the income and expenses for the current Fiscal Year (actual as available and projected for the remainder of the Fiscal Year) and the previous Fiscal Year, (iii) a report in consolidated and consolidating form setting forth in comparative form the income and expenses for the current Fiscal Year compared to (actual as available and projected for the remainder of the Fiscal Year) and the budget for the then-current Fiscal Year, (iv) a management report describing the operations and financial condition of Borrowers for the Fiscal Quarter then ended and the portion of the current Fiscal Year then elapsed and discussing the reasons for any significant variations from projections, (v) a calculation of all financial covenants provided for in Article 8, (vi) the certification of Borrowers' Chief Financial Officer or Chief Executive Officer as to the compliance of such financial statements with GAAP (subject to year-end adjustments and notes, as applicable) and the absence of any Default or Event of Default (or, if any Default or Event of Default does exist, an explanation of Borrowers' plans to address such matters), and (vii) such other information as Lenders may reasonably require upon written request.

(b) **Board Package.** Promptly upon the sending thereof, Borrowers shall deliver to Lenders a copy of the monthly information package, including financial statements and reporting for the preceding month, prepared by Borrowers for the members of Borrower's Governing Body.

(c) **Year-End Audited Financial Statements.** As soon as available, and in any event within one hundred and twenty (120) days after the end of each Fiscal Year, Borrowers shall deliver to Lenders (i) the audited consolidated balance sheets of Borrowers, as at the end of such Fiscal Year, and the related consolidated and consolidating statements of income, owners' equity and cash flow for such Fiscal Year, (ii) a report with respect to the consolidated financial statements from the Accountants and acceptable to Lenders, which report shall be prepared in accordance with Statement of Auditing Standards No. 58 "Reports on Audited Financial Statements", or the equivalent at the time, as applicable, and such report shall be "Unqualified" (as such term is defined in such Statement), and (iii) a schedule of the outstanding Debt of Borrowers describing in reasonable detail each such Debt issue or loan outstanding and the principal amount and amount of accrued and unpaid interest with respect to such Debt.

(d) **Accountants' Reports.** Promptly upon receipt thereof, Borrowers shall deliver to Lenders copies of all reports submitted by the Accountants in connection with each annual, interim, or special audit or review of any type of the financial statements or related internal control systems

of Borrowers made by the Accountants, including any comment letter submitted by the Accountants to management in connection with their services.

(e) **Projections and Operating Plan.** As soon as available, and in any event no later than January 1 of each Fiscal Year, Borrowers shall deliver to Lenders a comprehensive business plan for such Fiscal Year, including (i) narrative as to strategy, (ii) month-by-month projections of Borrowers' financial performance (including income statement, balance sheet, and cash flow statement), and (iii) an operating plan.

6.6 Additional Reporting Requirements.

(a) **Owner Communications.** Promptly upon the sending thereof, Borrowers shall deliver to Lenders a copy of each material statement, report, or notice sent to the holders of Borrowers' Equity Interests in their capacities as such (unless Lenders are otherwise a party thereto or otherwise received such notice in another capacity).

(b) **SEC Filings.** Promptly upon the filing thereof, should such filings become applicable, Borrowers shall deliver to Lenders copies of all regular, periodic, and special reports that a Borrower files with the SEC or any successor thereto, or any national securities exchanges or the National Association of Securities Dealers.

(c) **Change in Accounting Policies.** Borrowers shall promptly notify Lenders in writing upon any material change in accounting policies or financial reporting practices on the part of a Borrower.

(d) **Notice to Lender Parties Upon Perceived Breach.** Borrowers shall give Lenders and Collateral Agent prompt written notice of any action or inaction by or on behalf of a Lender (in any capacity) or Collateral Agent (in any capacity) that Borrowers believe may be actionable against any Lender or Collateral Agent or a defense to payment of any or all Obligations for any reason, including, without limitation, commission of a tort or violation of any contractual duty or duty implied by law.

(e) **Notice of Litigation.** Borrowers shall give Lenders prompt written notice of any Proceeding of which a Borrower has Knowledge that is hereafter instituted or threatened in writing which, if adversely determined, could result in a judgment exceeding \$100,000 or otherwise have could have a Material Adverse Effect.

(f) **Material Contracts and Customer Relationships.** Borrowers shall give Lenders prompt written notice of the termination, expiration without renewal, or breach (i) of any Material Contract or (ii) of any other present or future customer contract or relationship or other material agreement, in each case, the termination, breach, or expiration of which could have a Material Adverse Effect.

(g) **Other Notices.** Borrowers shall promptly notify Lenders in writing if they learn of the occurrence of (i) any Default or Event of Default, together with a detailed statement of the steps

being taken as a result thereof, or (ii) any other event that would be reasonably expected to have a Material Adverse Effect.

(h) **SBA Information.** Within sixty (60) days after the end of the Fiscal Year of Borrowers, Borrowers shall furnish or cause to be furnished to CCSD I and CCSD II information required by the SBA in form and substance reasonably requested by CCSD I or CCSD II concerning the economic impact of the Term Loans, including, information concerning full-time equivalent employees; federal, state, and local income taxes paid; gross revenue; source of revenue growth; after-tax profit or loss; and federal, state, and local income tax withholding. Borrowers shall furnish annually such information required on the forms provided by CCSD I and CCSD II. Borrowers shall execute the SBA forms required in this Agreement at the Closing and shall update these forms and execute such additional SBA forms as CCSD I and/or CCSD II may reasonably require.

(i) **SBA Certification of Uses of Term Loans.** Borrowers shall deliver to CCSD I and CCSD II, upon written request by Lenders not more than once in any Fiscal Quarter, a written report, certified as correct in all material respects by an authorized officer of each Borrower, verifying the purposes and amounts for which proceeds from the Term Loans were disbursed in a format to be provided by CCSD I and CCSD II. Borrowers shall supply to CCSD I and CCSD II such additional information and documents as Lenders request with respect to use of proceeds and will permit CCSD I and CCSD II to have access to any and all of Borrowers' records and information and personnel upon reasonable prior written notice and at reasonable times as CCSD I and/or CCSD II deems necessary to verify how proceeds have been or are being used, and to assure that the proceeds have been used for the specified purposes.

(j) **Management Updates.** Upon a Lender's written request, the Chief Executive Officer and Chief Operating Officer of each Borrower shall be reasonably available during business hours to discuss with and/or meet with such Lender's representative(s).

(k) **Other Information.** Upon a Lender's or Collateral Agent's written request, Borrowers shall provide such Lender or Collateral Agent with such additional reasonable information regarding the financial condition, Properties, operations, and prospects of Borrowers as they may reasonably require in connection with the Loan.

6.7 Taxes and Other Encumbrances. Borrowers shall timely make payment or deposit all material Taxes, remittances, assessments, or contributions required of them by Law, and execute and deliver to Lenders, on reasonable demand, appropriate certificates attesting to the payment or deposit thereof; provided, however, that Borrowers shall not be required to pay or discharge any such Tax, assessment, charge, or claim for as long as it is being diligently contested in good faith by proper proceedings and for which appropriate reserves are being maintained in accordance with GAAP.

6.8 Compliance with Laws. Borrowers shall comply fully with all Laws to which a Borrower or a Borrower's Properties are subject, except for violations which, if prosecuted and adversely determined, could not have a Material Adverse Effect.

6.9 Environmental Matters.

(a) **Compliance With Environmental Laws.** Borrowers shall (i) employ in connection with their operations, commercially reasonable technology and compliance procedures to maintain compliance with any applicable Environmental Laws, the violation of which could have a Material Adverse Effect, (ii) obtain and maintain any and all material Permits required by applicable Environmental Laws in connection with their operations, excepting only such Permits which could not by their absence cause a Material Adverse Effect, and (iii) dispose of any and all Hazardous Substances in accordance with Environmental Laws. Borrowers shall obtain all certificates required by law to be obtained by them from all contractors employed by them in connection with the transport or disposal of any Hazardous Substances.

(b) **Remedial Work.** If any investigation, site monitoring, containment, clean-up, removal, restoration, or other remedial work of any kind or nature with respect to Borrowers' Properties is required to be performed by a Borrower under any applicable Law or Order or by any non-governmental Person because of, or in connection with, the current or future presence, suspected presence, release, or suspected release of a Hazardous Substance in or into the air, soil, groundwater, surface water, or soil vapor at, on, about, under, or within any Borrower's Property (or any portion thereof), Borrowers shall with reasonable promptness commence and pursue completion of such remedial work in compliance with applicable Laws.

(c) **Indemnification of Lenders.** Borrowers jointly and severally agree to indemnify, defend (with counsel reasonably satisfactory to Lenders), and hold harmless Lenders and Collateral Agent against any loss, liability, claim, or expense, including reasonable attorneys' fees, that Lenders or Collateral Agent may incur as a result of the violation or alleged violation of any Environmental Law by a Borrower or with respect to any other violation of Environmental Laws with respect to any of Borrowers' Properties, except for any such losses, liabilities, claims or expenses resulting from the gross negligence or willful misconduct of any such Lender or Collateral Agent as determined by a court of competent jurisdiction. This covenant shall survive the repayment of the Term Loans and Lenders' assignment of the Term Loans.

6.10 Maintenance of Tangible Property. Borrowers shall maintain their tangible Property (and any Property leased by Borrowers) in good and workable condition (normal wear and tear excepted) at all times, subject to normal discards and replacements due to functional and useful-life obsolescence and Permitted Dispositions, and shall make all commercially reasonable repairs, replacements, additions, and improvements to their tangible Property to ensure that the business carried on in connection with their Property may be conducted in all material respects in the ordinary course of business.

6.11 Maintenance of IP. Borrowers shall maintain in effect and defend against infringement all IP that is material to Borrowers' business.

6.12 Banking Relationships. Borrowers shall maintain their deposit accounts only with FDIC-insured depository institutions with which Collateral Agent has entered into Control Agreements. If a depository bank or other Person provides lockbox services for the physical handling

of deposited items, Collateral Agent shall have the right to obtain control of the lockbox items as well as any account(s) to which the items are deposited.

6.13 Landlord Waivers. Prior to leasing any real property from any Person other than another Borrower, Borrowers shall first obtain from the intended landlord an agreement approved by Lenders pursuant to which the landlord waives or subordinates any right to any Encumbrance of the Collateral and otherwise provides Lenders with customary assurances as to access to the Collateral, the ongoing good standing of the lease, and related matters.

6.14 Insurance Requirements.

(a) **Types of Coverage.** Borrowers shall at all times maintain property insurance covering the Collateral provided by Borrowers for all risks of physical loss, liability insurance covering all of Borrowers' activities, fidelity insurance covering all of Borrowers' employees, officers, and directors, business interruption insurance covering Borrowers' continuity of operations, workers' compensation insurance, and such other types of coverage as Lenders may reasonably require, consistent with the types and amounts of coverage customary among well-capitalized participants in Borrowers' industry.

(b) **Terms of Coverage.** All insurance policies shall be issued by insurers of such financial standing, in such amounts, with such deductibles, and on other terms and conditions as Lenders may reasonably require, consistent with the types and amounts of coverage customary among well-capitalized participants in Borrowers' industry. All such policies of insurance shall name each Lender and/or Collateral Agent, as appropriate, as insured mortgagee, lender/loss payee, additional insured, or similar insured status and shall provide for not less than thirty (30) days' prior written notice to Lenders of intended cancellation or reduction in coverage. Borrowers shall furnish Lenders with certificates of insurance, copies of policies, or other evidence of compliance with the foregoing insurance provisions as Lenders may require. If Borrowers fail to maintain such insurance, Lenders and Collateral Agent shall have the right (but shall be under no obligation) to pay any of the premiums reasonably necessary to maintain or acquire such insurance and all such payments shall become part of the Obligations and be considered an advance at the highest rate of interest provided for in the Loan Documents. Borrowers expressly authorize their insurance carriers to pay proceeds of all insurance policies directly to Lenders and Collateral Agent, as applicable, and authorize Lenders and Collateral Agent, as applicable, as their attorney-in-fact to obtain, receive, indorse, deposit, and otherwise deal with claims under such policies and payments made pursuant thereto.

(c) **Application of Proceeds.** Absent the occurrence and continuation of an Event of Default, Lenders and Collateral Agent shall allow Borrowers the use of proceeds of insurance for claims of no more than \$100,000 per occurrence, (i) toward the repair or resolution of the matter giving rise to the claim, or (ii) toward the payment of the Term Loans.

6.15 Right of Inspection. Borrowers shall permit any officer, employee, agent, or consultant of any Lender or Collateral Agent to visit and inspect any of their Property, to examine their books of record and accounts and corporate records, to take copies and extracts from such

books of record and accounts, and to discuss their affairs, finances, and accounts with their directors, managers, officers, accountants, and auditors, all at such reasonable times and upon reasonable advance written notice as often as they may reasonably desire (but, absent an Event of Default, no more frequently than two times each quarter). Without limiting Lenders' and Collateral Agent's right to obtain equitable relief as to any other appropriate right in this Agreement or in other Loan Documents, Borrowers agree that if Borrowers fail to allow such an inspection within five (5) Business Days in the absence of a Default or an Event of Default and within two (2) Business Days in the presence of a Default or Event of Default, the rights in this Section may be enforced by affirmative injunction and, to the extent the right to review records may be denied, the right may be enforced by a restraining order prohibiting the interference by Borrowers with any Lender's or Collateral Agent's exercise of their rights to review the records. All reasonable expenses of such inspections, including reasonable travel and lodging expenses, shall be paid by Borrowers (i) upon the occurrence and continuation of an Event of Default, in all cases, and (ii) otherwise, for one inspection by each of the respective Lenders per Fiscal Year.

6.16 Further Assurances. Borrowers shall promptly cure any manifest defects in the creation, issuance, or delivery of the Loan Documents. Upon request, Borrowers at their expense agree (i) to execute (or cause to be executed) and deliver to Lenders and/or Collateral Agent all such other and further documents, agreements, and instruments in compliance with the covenants and agreements applicable to them in the Loan Documents, (ii) to correct any manifest omissions in the Loan Documents, (iii) to state more fully the Obligations and agreements set out in any of the Loan Documents, (iv) to make any recordings, (v) to file any notices, or (vi) to obtain any consents, all as may be reasonably necessary or appropriate. in connection therewith; in each case, provided, however, no such actions shall increase Borrowers' Obligations or diminish Borrowers' rights under the Loan Documents.

6.17 Indemnity; Expenses.

(a) **Indemnity Against Claims.** Borrowers agree to indemnify, defend (with counsel satisfactory to the indemnified party), and hold Lenders, Collateral Agent, and their Affiliates, employees, consultants, agents, and attorneys (the "**Indemnitees**") harmless from and against any and all Claims that may be imposed on, incurred by, or asserted against the Indemnitee as a result of Lenders or Collateral Agent being parties to this Agreement or the transactions consummated pursuant to this Agreement or the Loan Documents; provided, however, that Borrowers shall have no obligation to an Indemnitee hereunder with respect to Claims to the extent resulting from the gross negligence or willful misconduct of that Indemnitee as finally determined by a court of competent jurisdiction.

(b) **Payment of Expenses.** Upon written demand by a Lender, Borrowers shall reimburse Lenders and Collateral Agent for the following expenses:

- (i) all taxes that they may be required to pay because of the execution, delivery, filing, performance or enforcement of the Loan Documents or the Obligations, excepting taxes based upon the income of Lenders or franchise, excise, excess profits or similar tax on Lenders;

- (ii) all reasonable costs of the preparation of this Agreement and any other related documents and the administration of the Obligations (except for Lenders' usual overhead incurred in the acceptance and processing of payments, the routine review of financial statements, review of certifications, and reports);
- (iii) all reasonable costs of preserving, insuring, preparing for sale (whether by improvement, repair, or otherwise), or selling any Collateral securing the Obligations;
- (iv) the reasonable cost of the assessment of any Event of Default, the taking of any action in the enforcement of rights under the Loan Documents (whether or not involving litigation), and all court costs and other reasonable costs of collecting any of the Obligations;
- (v) all reasonable costs arising from any other litigation, investigation, or administrative proceeding (whether or not Lenders or Collateral Agent are parties thereto) that Lenders or Collateral Agent may incur as a result of the Obligations or as a result of their association with a Borrower, including, without limitation, expenses incurred in connection with a case or proceeding involving a Borrower under any Debtor Relief Laws; and
- (vi) with respect to any of the foregoing matters, the reasonable fees and expenses of Lenders' and Collateral Agent's attorneys.

(c) **Interest.** If Lenders or Collateral Agent pay any of the foregoing expenses described above in this Section and such expenses are not reimbursed by Borrowers as required herein, such expenses shall become a part of the Obligations and after demand therefor shall bear interest at the highest applicable rate then accruing on the outstanding balance of any portion of the Term Loans.

(d) **Survival.** This Section shall remain in full effect regardless of the full payment of the Obligations, the purported termination of this Agreement, the delivery of the executed original of this Agreement to Borrowers, the assignment of a Lender's rights under this Agreement, or the content or accuracy of any representation made by Borrowers to Lenders or Collateral Agent; provided, however, Lenders may terminate this Section by executing and delivering to Borrowers a written instrument of termination specifically referring to this Section.

6.18 Estoppel Letters. Borrowers covenant to provide Lenders or Collateral Agent, within ten (10) Business Days after written request, an estoppel letter stating (i) the balance of the Obligations, (ii) whether to Borrowers' Knowledge they have any defenses to payment of the Obligations, and (iii) the nature of any such defenses to payment of the Obligations. Such balance as presented for confirmation and the nonexistence of defenses shall be presumed if Borrowers fail to respond to such a written request within the required period.

6.19 Board Rights.

(a) **Governing Body Communications.** Borrowers shall deliver to Lenders copies of all material notices and other material written information delivered to members of the Governing Body of a Borrower in their capacities as such. This obligation shall be deemed satisfied as to a Lender if a representative of such Lender is a member of the Governing Body of a Borrower and receives such information in that capacity.

(b) **Observation Right.** The Required Lenders shall be entitled to designate in writing from time to time a representative who may attend, in an observation capacity, all meetings of each Borrower's Board of Directors, Managers, or other Governing Body and all committees thereof. Each Borrower shall (i) provide each such observer the same notice of any meeting to which a director or other member of the Board of Directors or other Governing Body would be entitled, (ii) give each such observer at least the same prior written notice of any action proposed to be taken upon written consent by such body as would be due to notice a meeting thereof (and shall convene a meeting to discuss any such action if an observer so requests in writing prior to the written action becoming effective), and (iii) pay for reasonable travel and other expenses of each such observer. Additionally, if at any time no Lender has also designated a member of the Governing Body of i3 Verticals pursuant to the Warrants, the Required Lenders may appoint a second observer pursuant to this Section (the initial designee to the Governing Body of i3 Verticals is John C. Harrison and the initial observer is R. Burton Harvey).

(c) **Active Board.** The Governing Body of i3 Verticals shall meet at least quarterly with an agenda covering all topics customary for meetings of corporate boards of directors of privately held corporations whose Equity Interests are owned by parties with differing interests.

6.20 Additional Subsidiaries and Collateral.

(a) **Additional Subsidiaries.** In the event that, subsequent to the Closing Date, any Person becomes a Subsidiary, whether pursuant to formation, acquisition or otherwise, (x) Borrowers shall promptly notify Collateral Agent and Lenders thereof and (y) within 30 days (or such longer time as the Required Lenders may permit) after such Person becomes a Subsidiary, Borrowers shall cause such Subsidiary (i) to become a Borrower and to grant liens in favor of the Collateral Agent in all of its personal property by executing and delivering to Collateral Agent a supplement or amendment to the Security Agreement in form and substance reasonably satisfactory to the Collateral Agent, and authorizing and delivering, at the request of Collateral Agent, such UCC financing statements or similar instruments required by Collateral Agent to perfect the liens in favor of Collateral Agent and granted under any of the Loan Documents, and (ii) to deliver all such other documentation (including, without limitation, certified organizational documents, resolutions, lien searches and legal opinions) and to take all such other actions as such Subsidiary would have been required to deliver and take pursuant to Section 4.1 if such Subsidiary had been a Borrower on the Closing Date; provided, however, that in the case of a Permitted Acquisition, the requirements set forth in this Section 6.20(a) shall be satisfied at the time of the closing of any such Permitted Acquisition (or such longer time as the Required Lenders may permit). In addition, within 30 days (or such longer time as the Required Lenders may permit) after the date any Person becomes

a Subsidiary, Borrowers shall (i) pledge all of the Equity Interests of such Subsidiary to Collateral Agent as security for the Obligations by executing and delivering applicable documents in form and substance satisfactory to Collateral Agent, and (ii) deliver any original certificates evidencing such pledged Equity Interests to Collateral Agent, together with appropriate powers executed in blank; provided, however, that in the case of any Permitted Acquisition, the requirements set forth in this sentence shall be satisfied at the time of the closing of any such Permitted Acquisition (or such longer time as the Required Lenders may permit).

(b) **Collateral.** Borrowers agree that, following the delivery of any collateral documents required to be executed and delivered by this Section, Collateral Agent shall have a valid and enforceable, perfected lien on the property required to be pledged pursuant to subsection (a) of this Section (to the extent that such lien can be perfected by execution, delivery and/or recording of the collateral documents or UCC financing statements, or possession of such collateral), free and clear of all Encumbrances other than Permitted Encumbrances. All actions to be taken pursuant to this Section shall be at the expense of Borrowers and shall be taken to the reasonable satisfaction of Collateral Agent.

6.21 Accrual of Dividends and Distributions. Borrowers shall, on a quarterly basis for each Fiscal Quarter, accrue dividends or distributions with respect to anticipated income tax distributions to be made on account of Borrowers' operations in such Fiscal Quarter. Borrowers acknowledge that such accruals will be used in the calculation of the Fixed Charge Coverage Ratio.

ARTICLE 7. NEGATIVE COVENANTS

Borrowers jointly and severally covenant with Lenders and Collateral Agent as set forth in this Article.

7.1 Debts and Guaranties. Borrowers shall not incur, create, assume, or in any manner become or be liable with respect to any Debt or Guaranty, except the following:

- (i) the Obligations;
- (ii) any Senior Loan outstanding at the time of determination;
- (iii) Capital Leases and Debt secured by Purchase Money Security Interests in the aggregate principal amount not exceeding \$250,000;
- (iv) endorsements of negotiable or similar instruments for collection or deposit in the ordinary course of business;
- (v) Debt listed on Schedule 5.11;
- (vi) Debt secured by Permitted Encumbrances;

- (vii) Debt arising in the ordinary course of business in relation to performance, surety, statutory, or appeal bonds;
- (viii) the Daily Loan;
- (ix) Subordinated Seller Debt;
- (x) Anticipated Additional Debt;
- (xi) Debt among Bonowers and Guaranties by Borrowers for obligations of other Bonowers;
- (xii) Other Debt not exceeding \$100,000 in the aggregate; and
- (xiii) Contingent Consideration incurred in connection with a Permitted Acquisition.

7.2 Encumbrances. Borrowers shall not create, incur, assume, or permit to exist any Encumbrance on any of their Property (now owned or hereafter acquired) except for Permitted Encumbrances, and shall not undertake a commitment of any kind in favor of any Person requiring that (i) Borrowers refrain from encumbering any of their Property, or (ii) Borrowers grant an Encumbrance (other than a Permitted Encumbrance) in favor of any Person on Borrowers' Property under any circumstances, except in each case in favor of Persons as to Property in which such Persons have, or would be permitted to take, a Permitted Encumbrance. Borrowers shall not authorize, execute, or file under the UCC a financing statement that names a Borrower as debtor or sign any document authorizing any such filing, except to secure Permitted Encumbrances.

7.3 Distributions and Redemptions.

(a) **General Prohibition.** Except for Permitted Tax Distributions, Borrowers shall not, directly or indirectly, make or declare any distribution (in cash, securities, or any other form of Property) on, or other payment or distribution on account of, or set aside assets for a sinking or other similar fund for the purchase of, or redeem, purchase, retire, or otherwise acquire, any Equity Interests in a Borrower.

(b) **Permitted Tax Distributions.** For any period during which a Borrower is taxed as a partnership under the IRC, such Borrower may pay to its owners, in quarterly installments reflecting the best estimate of taxable income through the Fiscal Quarters then ended, cash distributions (the "**Permitted Tax Distributions**") as and to the extent permitted in this Section.

(1) Permitted Tax Distributions shall not exceed in the aggregate the product of (A) the applicable Borrower's total taxable income for such tax year to the date of such a distribution, multiplied by (B) the sum of (i) the maximum marginal federal income tax rate applicable to individuals for such tax year (after giving effect to the deductibility of state income taxes), (ii) the highest marginal state income tax rate applicable to the members of the applicable Borrower for

such tax year, and (iii) the tax rate imposed by Section 1411 of the IRC (the so-called Net Investment Income tax) applicable to the members of the applicable Borrower for such tax year. Such distributions shall be paid (if at all) on or about the respective dates for payment of estimated tax payments by the members of the applicable Borrower.

(2) At least two (2) Business Days prior to issuing any Permitted Tax Distribution, the applicable Borrower shall deliver to Lenders a written notice of intended distribution and information sufficient that Lenders may review the amount and basis of any proposed distribution before it is paid. In the absence of an objection that such distribution is not a Permitted Tax Distribution from Lenders by the proposed payment date, the distribution may be paid as proposed.

(3) No distribution will be a Permitted Tax Distribution at any time that a Default or an Event of Default exists or the payment of any such distribution would cause a Default or an Event of Default.

(4) If the financial results of a Borrower are retroactively revised such that the Permitted Tax Distributions made with respect to a previous Fiscal Year exceeded that which should have been paid if the accurate results had then been applied, Lenders may require that the excess distributions be withheld from subsequent Permitted Tax Distributions for such Borrower.

7.4 Sales and Leasebacks. Borrowers shall not enter into any arrangement with any Person by which a Borrower would sell or transfer any of its Property, whether now owned or hereafter acquired, and by which a Borrower shall then or thereafter rent or lease as lessee such Property or any part thereof or other Property that it intends to use for substantially the same purpose or purposes as the Property sold or transferred.

7.5 [Intentionally Omitted].

7.6 Debt Investments. Borrowers shall not acquire any debt obligation of any Person, except for: (i) deposit accounts created and maintained in accordance with this Agreement, (ii) those investments in existence as of the Closing Date, (iii) general obligations of, or obligations unconditionally guaranteed as to principal and interest by, the United States of America maturing within fifteen (15) months of the date of purchase, (iv) commercial paper having a rating of not less than "A-2" from Moody's or Standard & Poor's, (v) certificates of deposit and bankers acceptances issued by banking institutions with a minimum net worth of \$500,000,000 and having a letter of credit rating of not less than "A" from Moody's or Standard Poor's, and (vi) obligations permitted under Section 7.10.

7.7 Issuance of Equity. Borrowers shall not issue additional Equity Interests other than Permitted Equity.

7.8 Mergers and Consolidations. Borrowers shall not merge, consolidate, or otherwise reorganize or recapitalize, or enter into any agreement to do so.

7.9 Asset Acquisitions. Borrowers shall not acquire a material part of a Person's assets or of the assets constituting a line of business, business location, or other business unit operated by a Person, except for Permitted Acquisitions.

7.10 Loans to Others. Borrowers shall not extend any loans to any other Persons in an amount exceeding \$10,000 to any single Person or \$25,000 in the aggregate.

7.11 Disposition of Assets. Borrowers shall not sell, transfer, lease, license, or otherwise dispose of any of their assets, except for the sale of inventory in the ordinary course of business and Permitted Dispositions (Lenders shall promptly upon written request issue appropriate releases of Equipment to facilitate Permitted Dispositions).

7.12 Consignments. Borrowers shall not accept possession of any material Property on consignment from other Persons and shall not place any material Property on consignment with other Persons.

7.13 Location of Property. Borrowers shall not allow a material part of their Property to be located other than at their places of business, except for repairs, demonstrations, and similar temporary purposes in the ordinary course of business.

7.14 Ownership of Equity Interests. Borrowers shall not acquire any Equity Interests, except for Permitted Acquisitions.

7.15 Partnerships. Borrowers shall not enter into any partnership, joint venture, or similar arrangement by which a Borrower would become liable for the obligations of another person.

7.16 Place of Business. Except upon thirty (30) days prior written notice, no Borrower shall relocate its chief executive office or principal place of business from the address for notices specified herein. In no event shall a Borrower relocate its chief executive office or principal place of business to a location outside the continental United States.

7.17 Adverse Action With Respect to Plans. Borrowers shall not take any action to terminate any Plan, which action could reasonably result in a material liability of Borrowers to any Person.

7.18 Hedge Agreements. Borrowers shall not enter into any Hedge Agreements absent Lenders' approval, in their sole and absolute discretion.

7.19 Restrictive Agreements. Except for the Senior Subordination Agreement, Borrowers shall not enter into any agreement that restricts prepayments under this Agreement, limits Borrowers' ability to provide the Collateral required hereunder, or otherwise restricts in any material respect Borrowers' ability to freely perform under the Loan Documents.

7.20 Transactions With Affiliates. Borrowers shall not enter into any transaction with any Affiliate that is not also a Borrower (including, without limitation, any management contract

or other fee arrangement), except for reasonable and customary compensation, benefits, and indemnities for Affiliates in their capacities as members, managers, officers, directors, or employees of Borrowers, and except for the performance within the contractual terms, reasonable extensions, and continuations of Affiliate agreements disclosed on Schedule 5.31.

7.21 Payments to Subordinated Creditors. Borrowers shall not make any payment, transfer of collateral, or other transfer to or for the benefit of any creditor of Borrowers whose obligations are junior in right of payment to the Obligations, except to the extent that Lenders and Collateral Agent have otherwise agreed in a written subordination agreement.

7.22 Constituent Document Amendments. No Borrower shall amend its Constituent Documents other than to change its agent for service of process or to make other administrative changes that are completely immaterial to the economic and governance rights and duties of owners or secured parties interested in the related Equity Interests.

7.23 Name. No Borrower shall change its name or do business under any additional name without having first provided Lenders thirty (30) days prior written notice.

7.24 Fiscal Year. No Borrower shall change its Fiscal Year.

7.25 Accounting Methods. Borrowers shall not make any material change in their accounting practices or methods, except as may be permitted by GAAP.

7.26 Change of Management. There shall be no change of management such that either Greg Daily ceases to serve as CEO of i3 Verticals or Clay Whitson ceases to serve as CFO of i3 Verticals with their traditional scope of duties in all material respects, unless within ninety (90) days thereafter, Borrowers have replaced such officer with another officer approved in writing by the Required Lenders, in their reasonable discretion.

7.27 [Intentionally Omitted].

7.28 Action Outside Ordinary Course. No Borrower shall take any material action outside the ordinary course of its business.

7.29 Activities Prohibited by SBA. No Borrower will engage in any activities or use, directly or indirectly, the proceeds of the Term Loans for any purpose for which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations promulgated thereunder, including 13 C.F.R. §107. Without obtaining the prior written approval of Lenders, no Borrower shall change its business activity from the Borrowers' Line of Business to a business activity which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations thereunder.

7.30 No Amendment or Modification of Subordination Provisions. Borrowers shall not permit or agree to any amendments or modifications of any nature whatsoever to Section 3 of

the Master Note Purchase Agreement among i3 Verticals and the several purchasers from time to time parties thereto, dated effective February 14, 2014.

7.31 Conditions to Payment of Contingent Consideration and Seller Subordinated Debt; Liquidity Requirement. Borrowers shall not make any payments which constitute Contingent Consideration, nor shall Borrowers make any scheduled payment due on Subordinated Seller Debt unless (i) no Default or Event of Default then exists, and (ii) immediately after and assuming any such payment has been made, Borrowers have cash or Cash Equivalents equal to at least \$2,500,000. In addition, Borrowers shall not make or allow any prepayment of any amounts due under any Subordinated Seller Debt.

7.32 No Redemption. i3 Verticals shall not redeem any Class A Units held by First Avenue Partners II, L.P., First Avenue-ETC Partners, L.P. or Front Street Equities pursuant to Section 11.1 of i3 Verticals's Operating Agreement or otherwise.

ARTICLE 8. FINANCIAL COVENANTS

8.1 Minimum Fixed Charge Coverage Ratio. As of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending on March 31, 2015, Borrowers will maintain a Fixed Charge Coverage Ratio of not less than 1.20 to 1.00.

8.2 Maximum Total Leverage Ratio. As of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending on March 31, 2015, Borrower will maintain a Total Leverage Ratio of not greater than 4.25 to 1.00.

8.3 Capital Expenditures Limit. Borrowers' Capital Expenditures shall not exceed \$1,500,000 in any trailing twelve-month period, tested as of the end of each Fiscal Quarter.

8.4 Financial Definitions. As used in this Agreement, the following capitalized terms have the meanings set forth below (all calculations are to be made in accordance with GAAP unless otherwise noted and all calculations are to be made for Borrowers on a consolidated basis):

"**Acquisition EBITDA**" shall mean EBITDA, with respect to any Permitted Acquisition, calculated as follows: (i) for the Fiscal Quarter in which the Permitted Acquisition occurs, an agreed upon pro forma annual EBITDA between Borrowers and Lenders, (ii) for the first full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 4, (iii) for the second full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 2, (iii) for the third full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 1.33, and (iv) for each quarter thereafter, actual trailing twelve-month EBITDA of the acquired entity.

"**Adjusted EBITDA**" shall mean the sum of EBITDA plus Acquisition EBITDA, less any actual EBITDA of the Permitted Acquisition from the close of Acquisition through the end of each

of the next four (4) Fiscal Quarters reflected in Borrowers' financial statements, plus or minus any adjustments mutually agreed upon by Borrowers, Lenders, and the Senior Lender.

"**Capital Expenditures**" means, for any period, the aggregate cost of all capital assets acquired by any Borrower during such period (including gross leases to be capitalized under GAAP and leasehold improvements, but excluding costs of any capital assets acquired as a part of a Permitted Acquisition), as otherwise as determined in accordance with GAAP.

"**EBITDA**" means, for any period of determination and without duplication, the sum of consolidated net income of Borrowers for such period (computed without regard to any extraordinary items of gain or loss), plus to the extent included in the calculation of consolidated net income for such period, the sum of (A) interest expense, (B) income tax expense determined in accordance with GAAP, (C) depreciation and amortization determined in accordance with GAAP, (D) all other non-cash charges determined in accordance with GAAP acceptable to the Lenders, (E) other one-time non-recurring income and expenses paid during such period (including Contingent Consideration), but only to the extent approved by the Lenders in writing, and (F) other adjustments to EBITDA mutually agreed to by Lenders, the Senior Lender and Borrowers.

EBITDA shall be calculated for any Fiscal Quarter as set forth below:

F or the quarter ending March 31, 2015	the actual EBITDA for such Fiscal Quarter, multiplied by 4
For the quarter ending June 30, 2015	the actual EBITDA for the previous two (2) Fiscal Quarters, multiplied by 2
For the quarter ending September 30, 2015	the actual EBITDA for the previous three (3) Fiscal Quarters, multiplied by 1.33
Commencing with the quarter ending December 31, 2015 and thereafter	the actual EBITDA for the trailing 12 month period

"**Fixed Charge Coverage Ratio**" shall mean the ratio at any time of determination and for any period, (i) the sum of (A) Adjusted EBITDA for such period, minus (B) all unfinanced Capital Expenditures computed on a trailing twelve-month basis, minus (C) dividends or distributions accrued for income tax expenses for such period, minus (D) income tax expenses for such period, divided by (ii) the sum of (A) actual cash interest payments paid in such period and (B) the current portion of scheduled principal payments on Funded Debt (but excluding payments due on the DBS Seller Note and the APS Seller Note) coming due in the twelve (12) fiscal months immediately following the end of such period; provided, however, that for purposes of calculating the Fixed Charge Coverage Ratio, in calculating income tax expense for the Fiscal Quarter ending March 31, 2015, the amount of income tax expense and all dividends or distributions accrued for income tax expense in the Fiscal Quarter shall be multiplied by 4, in calculating income tax expense for the Fiscal Quarter ending June 30, 2015, the amount of income tax expense and all dividends or distributions accrued for income tax expense in the previous two Fiscal Quarters shall be multiplied by 2, and in calculating income tax expense for the Fiscal

Quarter ending September 30, 2015, the amount of income tax expense and all dividends or distributions accrued for income tax expense in the previous three Fiscal Quarters shall be multiplied by 1.33; and further provided that in calculating cash interest payments paid in any Fiscal Quarter, for the quarter ending March 31, 2015 such actual cash interest payments paid in the Fiscal Quarter shall be multiplied by 4, for the quarter ending June 30, 2015 such actual cash interest payments paid in the previous two Fiscal Quarters shall be multiplied by 2, and for the quarter ending September 30, 2015 such actual cash interest payments paid in the previous three Fiscal Quarters shall be multiplied by 1.33. Beginning with the Fiscal Quarter ended December 31, 2015, the amount of income tax expense, all dividends or distributions accrued for income tax expense, and cash interest payments will be computed on a trailing twelve-month basis.

"**Funded Debt**" means all outstandings under the Senior Loan, together with any outstanding amounts under all Seller Notes.

"**Total Funded Debt**" means at any time of determination with duplication, all debt obligations of Borrowers including senior debt, subordinated debt, and Seller Notes, but excluding any debt obligations related to or included in Contingent Consideration.

"**Total Leverage Ratio**" means the ratio determined as of the end of any Fiscal Quarter of (i) all Total Funded Debt, to (ii) Adjusted EBITDA.

ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default. Any of the following events shall be an Event of Default under this Agreement:

(a) **Payments.** The failure of Borrowers to make any payment (i) of principal when due, or (ii) of interest or expenses included in the Obligations within five (5) days of when due.

(b) **Post-Closing Deliveries.** The failure of a Borrower to timely deliver any documents after the Closing Date as may be required in Exhibit 4.1.

(c) **Representations and Warranties.** The making of any representation or warranty by a Borrower or any other party in any Loan Document that was or is incorrect in any material respect as of the date thereof.

(d) **Negative Covenants.** The failure of any Borrower to comply with any of the requirements of Article 8 hereof; provided, however, as to any such failure that did not arise from an intentional act by any Borrower or any Borrower's Affiliate and which is reasonably susceptible to being cured, the occurrence of such breach shall not constitute an Event of Default hereunder if such breach is fully cured within thirty (30) days (or ten (10) days, if such breach may be cured by the payment of a specific sum of money) after the earlier of any Borrower's Knowledge of the facts giving rise thereto or Collateral Agent's written notice thereof to Borrowers given in accordance with the provisions hereof.

(e) **Financial Covenants.** The failure of a Borrower to comply with any of the requirements of Article 8.

(f) **Reporting Requirements.** The failure of a Borrower or any other party to timely perform any covenant in the Loan Documents requiring the furnishing of notices, financial reports, or other information to Lenders.

(g) **Other Covenants.** The failure of a Borrower or any other party to observe or perform any covenant contained in any Loan Document, which covenant is not subject to any specific provision in this Article 9; provided, however, as to any such breach that is reasonably susceptible to being cured, the occurrence of such breach shall not constitute an Event of Default hereunder if such breach is fully cured within thirty (30) days (or ten (10) days, if such breach may be cured by the payment of a specific sum of money) after the earlier of a Borrower's Knowledge of the facts giving rise thereto or Lenders' written notice thereof to Borrowers given in accordance with the provisions of this Agreement.

(h) **Voluntary Insolvency Proceedings.** The commencement of an Insolvency Proceeding by or with the consent of a Borrower.

(i) **Involuntary Insolvency Proceedings.** The commencement of an Insolvency Proceeding against a Borrower or a Borrower's Property by any Person other than a Borrower or an Affiliate of Borrower, if not dismissed within sixty (60) days.

(j) **Discontinuance of Business.** A Borrower's dissolution or discontinuance of its usual business.

(k) **Senior Loan Default.** The occurrence of an "Event of Default" under a Senior Loan.

(l) **Default on Other Indebtedness.** A Borrower's failure to make any payment when due (after the expiration of any applicable notice and cure periods) on any Debt not otherwise specified in this Article 9, or the lawful acceleration of any such other Debt, but only as to Debt in excess of \$50,000 in the aggregate.

(m) **Undischarged Judgments.** Existence of a judgment or judgments (i) for the payment of money in excess of \$50,000 in the aggregate awarded by any Governmental Authority against a Borrower or against a Borrower's Property which is not paid, discharged, or bonded within thirty (30) days after entry or, if later, when stipulated for payment, or (ii) awarding equitable relief likely to have a Material Adverse Effect.

(n) **Insolvency.** Borrowers are no longer Solvent on a consolidated basis.

(1) **Attachment.** The issuance of an attachment or other process against any material portion of the Property of a Borrower, unless removed (by bond or otherwise) within twenty (20) days.

(o) **Insurance.** A Borrower's failure to maintain any insurance required in any Loan Document.

(p) **Contest.** A Borrower's challenge or contest of the validity or enforceability of any Loan Document or the validity, priority, or perfection of any Encumbrance arising under any Loan Document in any action, suit, or proceeding.

(r) **Change of Control.** The occurrence of a Change of Control.

(s) **Material Adverse Change.** The occurrence of a Material Adverse Change.

9.2 Remedies. Upon the occurrence and continuation of an Event of Default, Lenders and Collateral Agent, may exercise the following remedies:

(a) **Default Rate.** Unless affirmatively waived in writing by Lenders, Interest shall accrue on the Obligations at the Default Rate, whether or not Collateral Agent or any Lender issues a notice of such escalation.

(b) **Acceleration.** Collateral Agent may declare the entire principal amount of all Obligations then outstanding, including interest accrued thereon, to be immediately due and payable without presentment, demand, protest, notice of protest or dishonor, or other notice of default of any kind, all of which are hereby expressly waived.

(c) **Receivership.** Collateral Agent may apply for and have a receiver appointed by a state or federal court of competent jurisdiction to manage, operate, protect and/or preserve any of Borrowers' business or assets, to sell or dispose of any of the Borrowers' business or assets, and/or to collect all revenues and profits thereof, and apply the same as required in this Agreement. Borrowers hereby irrevocably consent to and waive any right to object to or otherwise contest the appointment of a receiver as provided above. Borrowers (i) grant such waiver and consent knowingly after having discussed the implications thereof with counsel, (ii) acknowledge that (A) the uncontested right to have a receiver appointed for the foregoing purposes is considered essential by Collateral Agent in connection with the enforcement of its rights and remedies hereunder and under the other Loan Documents and (B) the availability of such appointment as a remedy under the foregoing circumstances was a material factor in inducing Lenders to extend the Loans, and (iii) agree to enter into any and all stipulations in any legal actions, or agreements or other instruments in connection with the foregoing, and to cooperate fully with Lenders in connection with the assumption and exercise of control by any receiver.

(d) **Collateral.** Collateral Agent may exercise any remedy regarding its security interest or lien in Collateral securing the Obligations.

(e) **Other Remedies.** Lenders and Collateral Agent shall be free to exercise any other remedy that may be available to them under the Loan Documents or applicable Law. No right, power, or remedy conferred upon or reserved to Collateral Agent or Lenders by this Agreement or any of the other Loan Documents is intended to be exclusive of any other right, power, or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any

other right, power, and remedy given hereunder, under any of the other Loan Documents or now or hereafter existing at law, in equity, or by statute.

(f) **No Waivers.** No delay or omission by Collateral Agent or any Lender to exercise any right, power, or remedy accruing upon the occurrence of any Event of Default shall exhaust or impair any such right, power, or remedy or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every right, power, and remedy given by this Agreement and the other Loan Documents to Collateral Agent and Lenders may be exercised from time to time and as often as may be deemed expedient by Collateral Agent and Lenders.

(g) **Application of Proceeds.** All proceeds from the exercise of remedies shall be applied first to expenses due to Collateral Agent and Lenders (*pro rata* among them based on the amounts of such expenses); second, to interest include in the Obligations (allocated Pro Rata); third, to principal of the Obligations (allocated Pro Rata); and fourth, to Borrowers or such other Person who is lawfully entitled thereto.

ARTICLE 10.
COLLATERAL AGENT AND OTHER INTER-LENDER MATTERS

10.1 Appointment and Authority. Each Lender hereby irrevocably appoints CCSD I to act on its behalf as Collateral Agent hereunder and under the other Loan Documents and authorizes Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Collateral Agent and Lenders, and no Borrower shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

10.2 Rights as a Lender. The Person serving as Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Collateral Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with any Borrower or any Affiliate thereof as if such Person were not Collateral Agent hereunder and without any duty to account therefor to Lenders, provided that the activity is not otherwise prohibited by the Loan Documents.

10.3 Exculpatory Provisions.

(a) No Implied Duties. Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Collateral Agent:

- (i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;
- (ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Collateral Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Collateral Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law; and
- (iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Collateral Agent or any of its Affiliates in any capacity.

(b) Standard of Care. Collateral Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Collateral Agent shall believe in good faith shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Collateral Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to Collateral Agent in writing by a Borrower or a Lender.

(c) No Duty of Inquiry. Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, or representation made in or in connection with this Agreement or any other Loan Document; (ii) the contents of any certificate, report, or other document delivered hereunder or thereunder or in connection herewith or therewith; (iii) the performance or observance of any of the covenants, agreements, or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default; (iv) the validity, enforceability, effectiveness, or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document; or (v) the satisfaction of any condition set forth in any Loan Document, other than to, upon request, confirm receipt of items expressly required to be delivered to Collateral Agent.

10.4 Reliance by Collateral Agent. Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent, or otherwise authenticated by the proper Person. Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, Collateral Agent may presume that such condition is satisfactory to such Lender, unless Collateral Agent shall have received notice to the contrary from such Lender or prior to the making of such Loan. Collateral Agent may consult with legal counsel (who may be counsel for a Borrower), independent accountants, and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants, or experts.

10.5 Delegation of Duties. Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Collateral Agent. Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective employees and agents. The exculpatory provisions of this Article shall apply to any such sub-agent and to the employees and agents of Collateral Agent and any such sub-agent. Collateral Agent shall not be responsible for the negligence or misconduct of any sub-agents, except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Collateral Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.6 Resignation of Collateral Agent.

(a) **Resignation.** Collateral Agent may at any time give notice of its resignation to Lenders and Borrowers. Upon receipt of any such notice of resignation, the Required Lenders (determined for this purpose only without including Collateral Agent as a Lender) shall have the right to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders as so determined), then the retiring Collateral Agent may (but shall not be obligated to), on behalf of Lenders, appoint a successor Collateral Agent that is a national bank with offices in Nashville, Tennessee. Such resignation shall become effective upon the appointment of, and acceptance of appointment by, a successor Collateral Agent.

(b) **Continued Indemnity.** After the retiring or removed Collateral Agent's resignation, the provisions of this Article and the indemnity provisions of this Agreement and other Loan Documents shall continue in effect for the benefit of such retiring or removed Collateral Agent, its sub-agents, and their respective employees and agents respecting any actions taken or omitted to be taken by any of them while the retiring or removed Collateral Agent was acting as Collateral Agent.

10.7 Replacement of Collateral Agent in Certain Circumstances. If (i) CCSD I or CCSD II assigns or sells a participation interest (except to the other) in any of the Term Loan held by it as of the Closing Date, and (ii) Harbert has not, as of the time of such assignment or sale, assigned or sold a participation interest in the Term Loan held by it as of the Closing Date, then Harbert may within thirty (30) days by notice to CCSD I and CCSD II and Borrowers remove CCSD I as Collateral Agent and substitute Harbert as Collateral Agent. As the former Collateral Agent, CCSD I would continue to have the residual rights of indemnity that it would have had if it had resigned.

10.8 Non-Reliance on Collateral Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon Collateral Agent or any other Lender or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Collateral Agent or any other Lender or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.9 Collateral Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law, Collateral Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Collateral Agent shall have made any demand on Borrowers) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

- (i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders and Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Collateral Agent and their respective agents and counsel and all other amounts due Lenders and Collateral Agent under the Loan Documents that are allowed in such judicial proceeding); and
- (ii) to collect and receive any monies or other Property payable or deliverable on any such claims and to distribute the same; and

any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Collateral Agent and, in the event that Collateral Agent shall consent to the making of such payments directly to Lenders, to pay to Collateral Agent any amount due for the reasonable compensation, expenses, disbursements, and advances of Collateral Agent and its agents and counsel, and any other amounts due Collateral Agent under the Loan Documents.

10.10 Exercise of Remedies. Collateral Agent shall proceed as set forth in this Section regarding the exercise of remedies upon an Event of Default.

(a) Unanimous Approval Absent Change. If, at the time of determination, Harbert and CCSD I/CCSD II are equal owners of the entire legal and beneficial interests in the Term Loans, Collateral Agent shall exercise no remedy under any Loan Document without the prior approval of the Required Lenders.

(b) Collateral Agent Judgment if Change. If, at the time of determination, Harbert and CCSD I/CCSD II are not equal owners of the entire legal and beneficial interests in the Term Loans, Collateral Agent shall exercise such remedies and refrain from the exercise of such remedies as it may deem appropriate, and may seek the approval of Lenders on such matters as Collateral Agent may determine.

(c) Reasonable Advice to Lenders. Collateral Agent shall in all cases keep Lenders reasonably apprised of Collateral Agent's actions in the enforcement of remedies and, to the extent circumstances reasonably permit, shall consult with Lenders regarding such enforcement.

10.11 Administrative Collateral Matters.

(a) **Authority to Release.** Lenders irrevocably authorize Collateral Agent, at its option and in its discretion:

- (i) to release any Encumbrance on any Property granted to or held by Collateral Agent under any Loan Document (x) upon termination of all commitments and payment in full of all Obligations (other than contingent indemnification obligations), (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, or (z) if approved, authorized, or ratified in writing by the Required Lenders;
- (ii) to subordinate any Encumbrance on any Property granted to or held by Collateral Agent under any Loan Document to the holder of any Encumbrance on such Property that is permitted by this Agreement; and
- (iii) to release a Borrower from its liability for the Obligations if such Person ceases to be an Affiliate of the remaining Borrower(s) as a result of a transaction permitted under the Loan Documents.

(b) **Confirmations.** Upon request by Collateral Agent at any time, the Required Lenders will confirm in writing Collateral Agent's authority to release or subordinate its interest in particular types or items of Property.

10.12 No Duty to Monitor Collateral. Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value, or collectability of the Collateral, the existence, priority, or perfection of Collateral Agent's Encumbrance thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall Collateral Agent be responsible or liable to Lenders for any failure to monitor or maintain any portion of the Collateral.

10.13 Sharing Among Lenders.

(a) **Settling Adjustments.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (i) notify Collateral Agent of such fact and (ii) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

- (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and
- (ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by Borrowers pursuant to and in accordance with the express terms of this Agreement, or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans, other than to Borrowers (as to which the provisions of this paragraph shall apply).

(b) **Borrowers' Agreement.** Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrowers rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Borrowers in the amount of such participation.

ARTICLE 11. GENERAL PROVISIONS

11.1 Usury Savings Provision. It is the intention of the parties that all consideration under or in connection with this Agreement, the other Loan Documents, and the Obligations, however denominated, and including (without limitation) all interest; commitment, transaction, or processing fees; late charges; loan charges; and other such charges shall be limited to the maximum lawful amount permitted under applicable state law or, if higher, applicable federal law (the "**Maximum Lawful Amount**"). Such consideration shall be characterized and all provisions of the Loan Documents shall be construed so as to uphold the validity of charges provided for therein and any rates shall be calculated based upon the scheduled maturity of the Obligations and not based upon any prepayment or early maturity by acceleration. If for any reason, any interest and/or other charges paid or contracted to be paid in respect of the Term Loans shall exceed the Maximum

Lawful Amount, then, *ipso jacto*, the obligation to pay such interest and/or other charges shall be reduced to the Maximum Lawful Amount in effect from time to time, and any amounts collected by Lenders that exceed the Maximum Lawful Amount shall be applied to the reduction of the principal balance of the Term Loans and/or refunded to Borrowers so that at no time shall the interest or loan charges paid or payable in respect of the Term Loans exceed the Maximum Lawful Amount. This provision shall control every other provision herein and in any and all other agreements and instruments now existing or hereafter arising between Borrowers and Lender with respect to the Term Loan.

11.2 Publicity. Borrowers shall not issue any press release, notice, disclosure, or other such publicity regarding the Term Loans or their relationship with Lenders without the prior written consent of Lenders.

11.3 No Reliance on Lender's Analysis. Borrowers acknowledge and represent that, in connection with the Obligations, they have not relied upon any financial projection, budget, assessment, or other analysis by Lenders or upon any representation by Lenders as to the risks, benefits, or prospects of their business activities or present or future capital needs incidental thereto, all such considerations having been examined fully and independently by Borrowers.

11.4 No Marshaling of Assets. Lenders may proceed against any collateral securing the Obligations or other obligations to Lenders and against parties liable therefor in such order as it may elect, and neither a Borrower nor any surety or guarantor for a Borrower nor any creditor of a Borrower shall be entitled to require Lenders to marshal assets. Borrowers hereby expressly waive the benefit of any rule of law or equity to the contrary.

11.5 Business Days. If any payment date under the Obligations falls on a day that is not a Business Day, or if the last day of any notice period falls on such a day, the payment shall be due and the notice period shall end on the next following Business Day.

11.6 Limitations of Damages. In no event shall Lenders ever be liable to Borrowers for (i) special, consequential, incidental, or other such damages arising from or related to the Term Loans or any of the Loan Documents, or (ii) punitive, exemplary, or other such damages arising from or related to the Term Loans or any of the Loan Documents.

11.7 Notices. All notices and communications relating to this Agreement shall be effective only when made in writing and actually delivered by mail, overnight courier, special courier, telecopier, email or otherwise to the addresses set forth below (or to such other address as a party may direct by a notice that complies with this Section), provided that (i) facsimile transmissions shall be effective only when confirmation of is received from the intended recipient's facsimile machine and, (ii) due to uncertainties caused by email volumes, spam filters, and other technical and practical matters, email transmissions shall be effective as notice only when and if receipt thereof is actually confirmed by the intended recipient:

If to Borrowers: i3 Verticals, LLC
Attention: Greg Daily
40 Burton Hills Blvd., Suite 415
Nashville, TN 37215
Email: GregDaily@chargepayment.net

With a copy (which shall not constitute notice) to:
Waller Lansden Dortch & Davis, LLP
Attn: Gerald F. Mace
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Email: gerald.mace@wallerlaw.com

If to Harbert: Harbert Mezzanine Partners III, L.P.
Attn: John C. Harrison
618 Church Street, Suite 500
Nashville, TN 37219
Email: jharrison@harbert.net

And to: Harbert Mezzanine Partners III, L.P.
Attn: David Boutwell
2100 Third Avenue North
Suite 600
Birmingham, Alabama 35203-3371
Email: dboutwell@harbert.net

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

Bradley Arant Boult Cummings LLP
Attn: John E. Murdock III
Roundabout Plaza
1600 Division Street, Suite 700
Nashville, Tennessee 37203
Fax: 615/252-6359
Email: jmurdock@babc.com

If to CCSD II: CCSD II, L.P.
c/o Capital Alignment Partners
4015 Hillsboro Pike, Suite 210
Nashville, TN 37215
Attn: Maston L. Ballew
Email: leeballew@claritascapital.com

If to CCSD I (as Lender or as Collateral Agent):

Claritas Capital Specialty Debt Fund, L.P.
c/o Capital Alignment Partners
4015 Hillsboro Pike, Suite 210
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@claritascapital.com

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

Bradley Arant Boult Cummings LLP
Attn: John E. Murdock III
Roundabout Plaza
1600 Division Street, Suite 700
Nashville, Tennessee 37203
Fax: 615/252-6359
Email: jmurdock@babco.com

11.8 Not Fiduciary; No Third Party Beneficiaries. Neither Lenders nor Collateral Agent is a fiduciary of a Borrower under any agreement or for any purpose. This Agreement has been executed for the sole benefit of the parties hereto, and no third party is authorized to rely upon Lenders' or Collateral Agent' rights or duties hereunder.

11.9 Incorporation of Schedules. All Schedules and Exhibits referred to in this Agreement are incorporated herein by this reference.

11.10 Indulgence Not Waiver. Any party's indulgence in a departure from the terms of this Agreement shall not prejudice the party's right to demand strict compliance with this Agreement, absent a written waiver or amendment that would be binding under the terms of this Agreement.

11.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties, except that (i) Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders, and (ii) Lenders may assign their rights only as permitted in this Section. Any attempted assignment or delegation by Borrowers without the required prior written consent shall be void. Lenders may freely assign the Term Loans or grant participation interests in the Term Loans, in each case in whole or in part; provided, however, (i) no such assignment or participation interest in a Term Loan shall be effective unless and until notice thereof is given to Lenders, Borrowers, and Collateral Agent; (ii) absent the consent of Lenders, Borrowers, and Collateral Agent, no assignment or participation interest may be transferred to a Person whose foreign status would impose any duty of withholding or other burden or restriction upon any of Lenders, Borrowers, or Collateral Agent; and (iii) absent the occurrence and continuation of an Event of Default, Lenders may not, without the written consent of Borrowers (which shall not be unreasonably withheld, delayed, or conditioned), assign a Term Loan or grant a participation interest therein to any Person except to (A) a Lender or an Affiliate of a Lender, or (B) an investment fund or other institutional investor that acquires a major part of a Lender's investment portfolio and which is not (either directly or through an Affiliate) engaged in Borrowers' Line of Business. To avoid doubt, upon and during the

continuation of an Event of Default, Lenders may freely assign the Term Loans or grant participation interests in the Term Loans without Borrowers' consent.

11.12 Entire Agreement. This Agreement and the other written agreements executed by the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior agreements are merged herein; provided, however, if there is a conflict between this Agreement and any other document executed contemporaneously herewith with respect to the Obligations, the provisions of this Agreement shall control.

11.13 Construction. This Agreement has been actively negotiated by the parties with full benefit of counsel and shall not be construed against either party as author. This Agreement shall not be deemed as amended, modified, or waived or construed to vary from its express terms by any course of performance, course of dealing, or usage of trade.

11.14 Requirements of Writing. When this Agreement requires that information be delivered in writing, or when it requires the delivery of information but is silent on the form of a delivery, it means that the required information must be delivered either in written language on paper or delivered as an electronic record in a generally accepted means of storage (*e.g.*, a .pdf file, email text in format accepted by Microsoft Outlook, or faxed image). Oral statements shall not in any event suffice as writings, even if recorded, and regardless of their content.

11.15 Amendments, Waivers, and Consents.

(a) Procedural Requirements. No provision of this Agreement or the other Loan Documents shall be amended, modified, or waived, and no related consent, approval, or additional agreement shall be binding, except as evidenced by a written document signed in hand by the party against whom such undertaking is to be enforced. Without limiting the foregoing, oral discussions (even if recorded), voice mail messages, and the text of ordinary electronic mail correspondence (that is, email correspondence that lacks a representation of a handwritten signature) shall not be binding, regardless of their content, its being the agreement of the parties that absent a handwritten signature all such communications should be conclusively regarded as nonbinding. A document signed in hand may be effectively evidenced by an electronic record that qualifies as a writing under this Agreement.

(b) Approval of Amendments and Waivers. This Agreement and the other Loan Documents may be amended, and provisions thereof waived, only upon the written agreement of Borrowers and Collateral Agent (except that the agreement of Borrowers shall not be required as to Article 10, except for Section 10.13(b)); provided, however, that no such agreement shall (i) increase the commitment of a Lender to extend any credit to any Borrower, without the written consent of such Lender, (ii) reduce the principal amount of any of the Term Loans or reduce the rate of interest thereon, or reduce fees payable thereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any of the Term Loans, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender adversely affected

thereby, (iv) change Section 2.11, any provision of Article 10, or this Section 11.15(b), without the written consent of all Lenders.

(c) Lender Consent in Other Capacities. To avoid doubt, no action taken by a Lender designee on the Governing Body of a Borrower shall constitute a waiver or amendment of any provision of the Loan Documents. To the extent that any such action requires a waiver, consent, or amendment under the Loan Documents, Borrowers shall be responsible to raise the issue and propose or request a formal written waiver, consent, or amendment.

11.16 Time of Essence. Time is of the essence of this Agreement, and all dates and time periods specified herein shall be strictly observed.

11.17 Gender and Number. Words used herein indicating gender or number shall be read as context may require.

11.18 Captions Not Controlling. Captions and headings have been included in this Agreement for the convenience of the parties, and shall not be construed as affecting the content of the respective Sections.

11.19 Counterparts. This Agreement may be executed in counterparts with all signatures or by counterpart signature pages, and it shall not be necessary that the signatures of all parties be contained on anyone document. Each counterpart shall be deemed an original, but all of them together shall constitute one and the same instrument.

11.20 Compliance with Anti-Terrorism Laws. Borrowers, each holder of equity of Borrower, and all Beneficial Owners and Affiliates of Borrowers and each such owner of equity are and shall at all times remain in compliance with (i) the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-65; and (ii) other Laws as may be enacted now or in the future relating to anti-terrorism measures.

11.21 Applicable Law. The laws of the State of Tennessee (without giving effect to its conflicts of law principles) and applicable federal law shall govern all matters arising from or related to this Agreement and all other Loan Documents, including the validity, interpretation, construction, performance, and enforcement thereof; provided, however, pursuant to TCA §47-14-119, the substantive laws of the State of Alabama shall govern this Agreement and the other Loan Documents regarding interest, loan charges, commitment fees, brokerage commissions, and other consideration charged by Harbert, except to the extent that federal law upholding such charges may otherwise apply. The parties acknowledge that Harbert's principal office is located in Alabama and that such contacts are sufficient to support the election of Alabama law to the extent stated above.

11.22 Consent to Jurisdiction; Exclusive Venue. Each party to this Agreement irrevocably consents to the jurisdiction of the United States District Court for the Middle District of Tennessee and of all Tennessee state courts sitting in Davidson County, Tennessee, for the purpose of any litigation to which any Lender may be a party and which arises from or is related to this Agreement or to any other Loan Document that does not expressly provide to the contrary. It is further agreed that venue for any such action shall lie exclusively with such courts, unless (i) Lenders and Collateral Agent agree to the contrary in writing, or (ii) Lenders or Collateral Agent initiate litigation in another court that has personal jurisdiction over the parties to that action or has *in rem* jurisdiction over Property relevant to the action. The parties waive any right to assert that the elected forum is not convenient and any right to raise any other objection to this election of exclusive venue.

11.23 Waiver of Jury Trial. Each party to this Agreement hereby knowingly, voluntarily, and with full benefit of counsel, irrevocably waives any right to obtain a trial by jury in any litigation arising from or related to this Agreement or to any other Loan Document and confirms that the effect of this waiver is that all issues of fact and law in any such litigation shall be determined by a judge acting without a jury. This waiver is a material inducement to the execution of this Agreement and is intended to apply whether such litigation is based upon contract, tort, statute, or any other authority.

11.24 Amended and Restated Agreement. This Agreement is an amendment to and restatement of, and not an extinguishment of, the obligations of the Borrowers under the Existing Borrowers Loan Agreement. All guaranty agreements, liens, assignments and security interests securing the Obligations and the Loan Documents are hereby ratified, confirmed, renewed, extended and brought forward as security for the Obligations described in this Agreement, in addition to and cumulative of all other security.

11.25 Joinder of i3 Management and i3-RS. i3 Management and i3-RS each hereby joins in this Agreement and the other Loan Documents to which the other Existing Borrowers are a party, including joining in (ii) the Term Loan Notes as a "Maker," and (iii) the Security Agreement as a "Debtor," and all such documents are hereby amended to include each of i3 Management and i3-RS as a party thereto. i3 Management and i3-RS each further (i) agrees to make all of the representations and warranties set forth in this Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3 Management and i3-RS each agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under this Agreement or the other Loan Documents. In furtherance of the foregoing, i3 Management and i3-RS each agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as

Collateral Agent may reasonably request to give effect to this joinder of i3 Management and i3-RS.

11.26 Affirmation; Collateral; Consent; Waivers regarding Warrants and Leases.

(a) Affirmation of Loan Documents. Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents. Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Agreement; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

(b) Collateral. Each Borrower acknowledges and agrees that it previously has granted, or contemporaneously herewith is granting, to Collateral Agent a continuing security interest in substantially all of its Property pursuant to the Security Agreement. Each Borrower hereby (i) affirms its grant of a security interest in the Collateral (as defined in the Security Agreement) to secure the Obligations, and (ii) acknowledges that Secured Party shall have all rights and remedies of a secured party provided by the UCC.

(c) Approval of Increase to Senior Debt. Lenders (i) consent to Borrowers' incurring of Debt pursuant to the Senior Loan Agreement, (ii) agree that such Debt shall be treated as a Senior Loan under this Agreement, and (iii) agree that First Bank shall be treated as the Administrative Agent under the Loan Agreement.

(d) Waiver of Certain Matters Regarding Issuance of Equity. Lenders agree that i3 Verticals may issue 120,000 Class P non-voting units of i3 Verticals to Ian Halpern, Chris Toppino, and Henry Lau pursuant to that Asset Purchase Agreement dated as of December 31, 2014, between RentShare, Inc., certain "Owners" thereof, and i3-RS without making any adjustment to the Warrants pursuant to Section 8 thereof.

(e) Certain Matters Regarding Leases.

(i) Lenders hereby waive the requirements of Section 6.13 of this Agreement with respect to (i) the lease by i3-RS of office space located at 115 East 23rd St., Unit 325, New York, New York, (ii) the lease by CP-USDC of office space located at 2761 E. Skelly Drive, Suite 105, Tulsa, Oklahoma, and (iii) the lease by i3 Verticals of office space located at 40 Burton Hills Blvd., Suite 200, Nashville, Tennessee, so long as Borrowers vacate such space on or before April 1, 2015.

(ii) Lenders hereby agree that the time for delivering applicable landlord agreements pursuant to Section 6.13 of this Agreement is hereby extended to (i) on or before February 9, 2015, with respect to the lease by i3 Verticals of office space located at 2500 Cumberland Parkway, Atlanta, GA 30339, and (ii) on or before the date of occupancy with respect to the lease by i3 Verticals of office space located at 40 Burton Hills Blvd., Suite 415, Nashville, Tennessee.

[The remainder of this page is intentionally left blank.]

This First Amended and Restated Loan Agreement is dated as of the date first written above.

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to First Amended and Restated Loan Agreement Continue]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. .

By: CCSD GP, LLC
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

BORROWERS:

I3 VERTICALS, LLC

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Chief Financial Officer

i3 VERTICALS MANAGEMENT SERVICES, INC.

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Chief Financial Officer

CP-TOPS, LLC

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Chief Financial Officer

CP-USDC, LLC

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Chief Financial Officer

[Continued Signatures to First Amended and Restated Loan Agreement]

CP-PS, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer

CP-APS, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer

[Continued Signatures to First Amended and Restated Loan Agreement]

CP-DBS, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer

i3-RS, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer

[Continued Signatures to First Amended and Restated Loan Agreement]

SCHEDULES
TO
LOAN AGREEMENT

Lenders:

CCSD II, L.P.

Claritas Capital Specialty Debt Fund, L.P.

Harbert Mezzanine Partners III, L.P.

Collateral Agent:

Claritas Capital Specialty Debt Fund, L.P.

Borrowers:

i3 VERTICALS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
i3-RS, LLC

Dated as of January 9, 2015

Schedule 5.5 Required Consents

None.

Schedule 5.6 Pending Orders

None.

Schedule 5.7 Pending Proceedings

None.

Schedule 5.8 Past Proceedings and Orders

Trust One Payment Services, Inc. and Global Payments Direct, Inc. were sued by the FTC in contempt proceedings filed July 18, 2013 regarding their failure to honor an asset freeze relating to the reserve funds for two merchants, Ambrosia Website Design and Western GPS.

In its Asset Purchase Agreement with Trust One Payment Services, Inc., dated December 24, 2012, CP-TOPS, LLC did not assume any of these liabilities (2.2(b)(ix) in the APA). At issue with the FTC are approximately \$800,000 in merchant reserves which Global and the seller held and funded to cover customer chargebacks. In addition, the seller funded over \$200,000 of additional chargebacks over the reserves. All chargeback funds went directly to customers. The seller settled with the FTC.

Schedule 5.9 Exceptions to Financial Statements

None.

Schedule 5.11 Debt

1. Amended and Restated Term Loan Agreement and Revolving Loan Agreement dated as of the date hereof (the "Senior Loan Agreement") among Borrowers, certain lenders signatory thereto, and First Bank, as Administrative Agent for such lenders. Each Borrower has granted a security interest in substantially all its assets to secure each Borrower's obligations under the Senior Loan Agreement.
2. Third Amended and Restated 10% Subordinated Convertible Promissory Note dated of even date herewith, in the principal sum of \$1,000,000 executed by i3 in favor of Gregory S. Daily and Collie F. Daily.
3. Term Notes dated February 14, 2014, in the aggregate principal sum of \$16,608,000, and Term Notes dated June 30, 2014, in the aggregate principal sum of \$1,000,000 executed by i3 in favor of various Friends and Family investors, pursuant to that certain Master Note Purchase Agreement dated as of February 14, 2014.
4. Subordinated Promissory Note dated May 9, 2014, in the principal sum of \$1,000,000 executed by CP-APS in favor of Advanced Payment Solutions, LLC
5. Subordinated Promissory Note dated May 23, 2014, in the principal sum of \$500,000 executed by CP-DBS in favor of Data Business Systems of Colorado, Inc.

Schedule 5.12 Off-Balance-Sheet Transactions

None.

Schedule 5.13 Unpaid Taxes

None.

Schedule 5.14 ERISA Plans

United Healthcare PPO Plan 07X

United Healthcare HDHP Plan 9N2

Delta Dental Dual Network Advantage Plan – Voluntary Dental Plan

Vision Service Plan VSP Choice – Voluntary Vision Care Plan

Unum Life Insurance – Voluntary Life Insurance for Employees, Spouses, and Children Wells Fargo Health Savings Accounts

Schedule 5.17 Locations of Property

1. i3 Verticals, LLC
 - a. 40 Burton Hills Blvd, Suite 200, Nashville, TN 37215*
2. CP-TOPS, LLC
 - a. 2500 Cumberland Parkway, Atlanta, GA 30339
3. CP-USDC, LLC
 - a. 800 Westchester Avenue, Rye Brook, NY 10573
 - b. 2761 E. Skelly Drive, Suite 105, Tulsa, OK 74015
4. CP-PS, LLC
 - a. n/a
5. CP-APS, LLC
 - a. 40 Burton Hills Blvd, Suite 200, Nashville, TN 37215*
6. CP-DBS, LLC
 - a. 6622 Esmerelda, Castle Rock, CO 80108**
7. i3 Verticals Management Services, Inc.
 - a. n/a
8. i3-RS, LLC
 - a. 115 East 23rd Street, Number 325, New York, New York 10010

* Borrower has also entered into a lease with Burton Hills IV Investments, Inc. concerning the real property located at 40 Burton Hills Blvd, Suite 415, Nashville, TN 37215 but does not currently occupy such property. Borrower intends to vacate 40 Burton Hills Blvd, Suite 200, Nashville, TN 37215 before March 1, 2015 and take possession of 40 Burton Hills Blvd, Suite 415, Nashville, TN 37215 at such time.

** Personal home of CP-DBS, LLC employee; not subject to real property lease

Schedule 5.18 Condition of Properties

None.

Schedule 5.19 Casualties and Extraordinary Events

None.

Schedule 5.20 Condemnation



None.

Schedule 5.21 Intellectual Property

1. i3 Verticals, LLC

a. www.chargepayment.net

b.

Mark	Serial No. Reg. No.	Filing Date Reg. Date	Status
CP CHARGE PAYMENT 	85833046	Jan. 25, 2013	Pending
CHARGE PAYMENT	85833046	Jan. 25, 2013	Pending
I3 Verticals	86491209	December 26, 2014	Pending
	86491215	December 26, 2014	Pending

2. CP-TOPS, LLC

a. www.trustonepaymentservices.com

b. www.trustoneps.com



c.



3. i3-RS, LLC

a.

Mark	Serial No. Reg. No.	Filing Date Reg. Date	Status
------	------------------------	--------------------------	--------

Mark	Serial No. Reg. No.	Filing Date Reg. Date	Status
RENTSHARE	77868578	November 9, 2009	Active

b.

Domain Names:

rentshare.com

rentshare.co

spaaaaaace.com

3. CP-USDC, LLC

a. www.usdc.com



4. CP-DBS, LLC

a.

Mark	Serial No. Reg. No.	Filing Date Reg. Date	Status
PAYSCHOOLS	78574938	February 25, 2005	Active

b.

Domain names:

a) databusys.com

b) fundraisers4schools.com

c) dbscart.com

d) sdms2.com

e) give2schools.com

f) give2schools.org

- g) payschools.org
- h) qspllc.com
- i) qspllc.net
- j) payschools.com
- k) qsppos.info
- l) asp-starts.net
- m) asp-stars.org
- n) asp-stars.com
- o) payforit.net
- p) p4test.com
- q) smids2.com
- r) fees4schools.com
- s) qsppos.com
- t) qsppos.net
- u) usdc-chargeit.com

Schedule 5.22 Equity Interests

1. i3 Verticals, LLC
 - a. 100% of Equity Interests of CP-TOPS, LLC, CP-USDC, LLC, CP-PS, LLC, CP-APS, LLC, CP-DBS, LLC, i3 Verticals Management Services, Inc., and i3-RS, LLC
2. CP-TOPS, LLC
 - a. None
3. CP-USDC, LLC
 - a. None
4. CP-PS, LLC
 - a. None
5. CP-APS, LLC
 - a. None
6. CP-DBS, LLC
 - a. None
7. i3 Verticals Management Services, Inc.
 - a. None
8. i3-RS, LLC
 - a. None

Schedule 5.23 Hedge Agreements

None.

Schedule 5.24 Violations of Law

None.

Schedule 5.25 Environmental Matters

None.

Schedule 5.29 Labor Matters

None.

Schedule 5.31 Affiliate Transactions

1. i3 Verticals, LLC

- a. Third Amended and Restated 10% Subordinated Convertible Promissory Note dated August 14, 2013, in the principal sum of \$1,000,000 executed by i3 Verticals, LLC in favor of Gregory S. Daily and Collie F. Daily.

Schedule 5.32 Capitalization

(a)

	<u>Class A</u>		<u>Common</u>		<u>Class P</u>		<u>Diluted Participation</u>	
	Shares	%	Shares	%	Shares	%	Shares	%
Greg Daily & Affiliates	5,450,000	50.2%	333,887	11.4%	2,712,500	54.8%	8,496,387	45.3%
FAP & Affiliates	4,900,000	45.2%	90,481	3.1%	167,443	3.4%	5,157,924	27.5%
Jay Turner & Affiliates	500,000	4.6%	162,872	5.5%	-	0.0%	662,872	3.5%
Management (issued)	-	0.0%	18,323	0.6%	1,780,714	36.0%	1,799,037	9.6%
Management (authorized, not issued) Board of Directors - nonowner or	-	0.0%	-	0.0%	120,000	2.4%	120,000	0.6%
management	-	0.0%	-	0.0%	167,443	3.4%	167,443	0.9%
2013 Mezzanine Lenders	-	0.0%	1,423,688	48.4%	-	0.0%	1,423,688	7.6%
F&F Lenders	-	0.0%	912,080	31.0%	-	0.0%	912,080	4.9%
TOTAL	10,850,000	100.0%	2,941,330	100.0%	4,948,100	100.0%	18,739,431	100.0%

As if the Daily Note were converted to Series A:

	<u>Class A</u>		<u>Common</u>		<u>Class P</u>		<u>Diluted Participation</u>	
	Shares	%	Shares	%	Shares	%	Shares	%
Greg Daily & Affiliates	6,450,000	54.4%	333,887	11.4%	2,712,500	54.8%	9,496,387	48.1%
FAP & Affiliates	4,900,000	41.4%	90,481	3.1%	167,443	3.4%	5,157,924	26.1%
Jay Turner & Affiliates	500,000	4.2%	162,872	5.5%	-	0.0%	662,872	3.4%
Management (issued)	-	0.0%	18,323	0.6%	1,780,714	36.0%	1,799,037	9.1%
Management (authorized, not issued)	-	0.0%	-	0.0%	120,000	2.4%	120,000	0.6%
Board of Directors - nonowner or		0.0%		0.0%		3.4%		0.8%
management	-		-		167,443		167,443	
2013 Mezzanine Lenders	-	0.0%	1,423,688	48.4%	-	0.0%	1,423,688	7.2%
F&F Lenders	-	0.0%	912,080	31.0%	-	0.0%	912,080	4.6%
TOTAL	11,850,000	100.0%	2,941,330	100.0%	4,948,100	100.0%	19,739,431	100.0%

ii. No outstanding warrants, options, and other such rights, other than Mezzanine Lenders warrants in (i) above.

iii. Section 11.1 of the LLC Agreement provides for a redemption of the Class A Units held by FAP out of funds lawfully available therefor at any time on or after the date Gregory S. Daily ceases to be active in the Company as President and CEO.

(b) None

Schedule 5.33 Permits and Licenses

None.

Schedule 5.34 Employment Agreements

1. Employment Agreement dated August 14, 2013, between CP-USDC, LLC and Peter Gatof
2. Employment Agreement dated May 9, 2014, between CP-APS, LLC and Jennifer Brinkman

Schedule 5.35 Management

1. i3 Verticals, LLC
 - a. Board of Directors
 - i. David M. Wilds
 - ii. Timothy McKenna
 - iii. John C. Harrison
 - iv. Gregory S. Daily
 - v. Clay Whitson
 - vi. Thomas H. Bryant
 - b. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President
2. CP-TOPS, LLC
 - a. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President
3. CP-USDC, LLC
 - a. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President

4. CP-PS, LLC
 - a. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President
5. CP-APS, LLC
 - a. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President
6. CP-DBS, LLC
 - a. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President
7. i3 Verticals Management Services, Inc.
 - a. Management
 - i. Gregory S. Daily, President and CEO
 - ii. Clay Whitson, CFO and Secretary
 - iii. Scott Meriwether, Vice President
8. i3-RS, LLC
 - a. Management
 - i. Gregory S. Daily, President and CEO

- ii. Clay Whitson, CFO and Secretary
- iii. Scott Meriwether, Vice President

Schedule 5.36 Material Contracts

Processing Agreements

1. USDC: First Data 2002 ISO Agreement as amended
2. USDC: Chase Paymentech 2010 ISO Agreement as amended
3. USDC: RBS Worldpay 2007 ISO Agreement and Sponsorship Agreement
4. TOPS: Global Payments 2005 Merchant Services Agreement as amended
5. PS: None.
6. APS: Global Payments 2006 Merchant Services Agreement as amended
7. APS: Sage Payment Solutions 2007 ISO Services Agreement as amended
8. DBS: Vantiv and Fifth Third Bank 2013 Bank Card Merchant Agreement as amended
9. i3: First Data 2013 Wholesale ISO Agreement
10. i3-RS: Merchant Warehouse - Merchant Processing Application and Agreement
11. i3-RS: Crescent Processing Company - Merchant Application and Agreement

Real Estate Leases

1. USDC: Lease Agreement dated as of May 30, 2006, as amended May 30, 2013, as further amended August 14, 2013, by and between USDC, as tenant and 800-60 Westchester Avenue, LLC, as landlord regarding the real property located at 800 Westchester Avenue, Rye Brook, NY 10573.
2. USDC: Office Building Lease dated March 1, 2013, by and between USDC as tenant-by-assignment from Dave Miley, and Skelly & Utica Partnership, as landlord regarding the real property located at 2761 E. Skelly Drive, Suite 105, Tulsa, OK 74015.
3. i3: Office Lease dated May 27, 2014, by and between i3, as tenant, and GPI Bayport, Ltd., as landlord regarding the real property located at 2500 Cumberland Parkway, Atlanta, GA 30339
4. i3: Lease Agreement dated July 28, 2014, by and between i3, as tenant, and Burton Hills IV Investments, Inc., as landlord regarding the real property located at 40 Burton Hills Blvd, Suite 415, Nashville, TN 37215.
5. i3: Sublease dated May 23, 2014, by and between i3, as subtenant, and AmSurg Corporation, as sublandlord, regarding the real property located at 40 Burton Hills Blvd, Suite 200, Nashville, TN 37215.
6. PS: None.
7. DBS: None.
8. i3 Verticals Management Services, Inc.: None.
9. i3-RS, LLC: CoWorkrs LLC License Agreement, by and between COWORKRS LLC, as landlord, and i3-RS, LLC (as successor-in-interest to RentShare, Inc.), regarding the real property located at 115 East 23rd Street, Number 325, New York, New York 10010

Vendors

1. USDC: First Data 2002 ISO Agreement as amended
2. TOPS: IMP Solutions IAA
3. TOPS: Global Payments 2005 Merchant Services Agreement as amended
4. PS: None.
5. APS: Global Payments 2006 Merchant Services Agreement as amended
6. APS: Sage Payment Solutions 2007 ISO Services Agreement as amended
7. DBS: Vantiv and Fifth Third Bank 2013 Bank Card Merchant Agreement as amended
8. i3: First Data 2013 Wholesale ISO Agreement
9. i3: Century II Staffing, Inc. PEO Client Service Agreement
10. i3-RS: Merchant Warehouse - Merchant Processing Application and Agreement
11. i3-RS: Crescent Processing Company - Merchant Application and Agreement

Customers

None.

Other Contracts

None.

Schedule 5.37 Insurance Claims

None.

Schedule 5.38 Non-Compete Agreements

1. i3 Verticals, LLC
 - a. Non-Competition and Non-Solicitation Agreement dated August 14, 2013, between i3 and Gregory S. Daily
2. CP-TOPS, LLC
 - a. Residual Payment, Confidentiality, Non-Competition and Non-Solicitation Agreement dated December, 2012, between CP-TOPS, LLC and Robert Cason
 - b. Independent Agent Agreement dated May 1, 2013 between CP-TOPS, LLC and Raul Anthony Orue
 - c. Other Agents
3. CP-USDC, LLC
 - a. Employment Agreement dated August 14, 2013, between CP-USDC, LLC and Peter Gatof
 - b. Asset Purchase Agreement dated August 14, 2013 between CP-USDC, LLC, Charge Payment, LLC, U.S. Data Capture, Inc. and Peter Gatof
 - c. Purchase Option Agreement dated August 14, 2013 between CP-USDC, LLC, Charge Payment, LLC, USDC Partners, LLC and Peter Gatof.
 - d. Agents/Referral Partners
3. CP-PS LLC
 - a. Confidentiality, Non-Competition and Non-Solicitation Agreement dated as of February 14, 2014 by and between Merchant Processing Solutions, and Matthew Wiltsey and acknowledged and agreed to by CP-PS, LLC
4. i3-RS, LLC
 - a. Confidentiality, Non-Competition and Non-Solicitation Agreement dated as of December 31, 2014 by and between i3-RS, LLC and Henry Lau
 - b. Confidentiality, Non-Competition and Non-Solicitation Agreement dated as of December 31, 2014 by and between i3-RS, LLC and Ian Halpern
 - c. Confidentiality, Non-Competition and Non-Solicitation Agreement dated as of December 31, 2014 by and between i3-RS, LLC and Trevor Geise
 - d. Confidentiality, Non-Competition and Non-Solicitation Agreement dated as of December 31, 2014 by and between i3-RS, LLC and Christopher Toppino

5. Substantially all other employees of Borrowers have entered into a form of Non-Compete, Non-Solicitation, Confidentiality and Proprietary Rights Agreement.

Schedule 5.41 Fees and Commissions

None.

**FIRST AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of April 23, 2015, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company; i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), i3-RS, LLC ("i3-RS"), a Delaware limited liability company, and i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, i3 Management, and i3-RS are the "Existing Borrowers," and the Existing Borrowers and i3-EZ, are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015 (as amended, the "Loan Agreement"); and

B. i3-EZ has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-EZ.** i3-EZ hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-EZ as a party thereto. i3-EZ further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-EZ agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-EZ agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-EZ.

3. **i3-EZ Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition of i3-EZ pursuant to that certain Asset Purchase Agreement (the "i3-EZ Acquisition Agreement") dated as of April 23, 2015 by and among i3-EZ, Information Design, Inc., David Geers and the Robert David Geers Revocable Trust date May 19, 2006 qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-EZ Acquisition Agreement, including under Section 2.6 thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition. The Lenders hereby agree that such acquisition shall be treated as a Permitted Acquisition under the Loan Agreement.

Borrowers represent and warrant that all indebtedness of Information Design, Inc. owed to Fifth Third Bank has been paid in full, and Information Design, Inc. has no further outstanding obligations owed Fifth Third Bank. Certain UCC-1 financing statements relating to the indebtedness formerly owed to Fifth Third Bank remain of record. Borrowers covenant and agree that all such UCC-1 financing statements relating to such indebtedness shall be terminated on or prior to April 30, 2015, and evidence of such terminations shall be provided to Collateral Agent. In the event that such UCC-1 financing statements are not terminated by April 30, 2015, an Event of Default shall exist under the Loan Agreement.

Lenders further acknowledge that i3-EZ intends to assume a processing agreement with Sage Payment Solutions, Inc. ("Sage") in connection with such acquisition and that such processing agreement includes the grant of a security interest in favor of Sage in i3-EZ's deposit accounts that does not constitute a Permitted Encumbrance. Notwithstanding any provision of the Loan Documents to the contrary, the Lenders hereby (i) consent to such security interest, (ii) waive any Defaults or Events of Default that exist or may arise on account of the granting or existence of such security interest, and (iii) waive any notices to Collateral Agent or Lenders that are required under the Loan Documents on account of the granting or existence of such security interest.

4. **Amendment of Loan Agreement Regarding Certain Definitions.** Section 1.1 of the Loan Agreement is hereby amended by deleting subparagraph (xi) of the definition of "Permitted Encumbrances" in its entirety and substituting the following replacement in lieu thereof:

(xi) Encumbrances granted to any settlement bank, sponsor bank and/or processor in (i) funds, instruments or deposit accounts held by such entities or any other direct or indirect subsidiary or affiliate of such entities and/or any other deposit accounts into which funds are deposited by any settlement bank, sponsor bank and/or processor pursuant to or in connection with any sponsorship or processing agreement to which any Borrower is a party (provided that (x) the applicable Borrower has not opened or maintained any deposit account with any such entity or its direct or indirect subsidiaries or affiliates other than solely in connection with a sponsorship or processing agreement and (y) no funds other than those paid pursuant to or in connection with such sponsorship or processing agreement are deposited therein), or (ii) in all of any Borrower's rights relating to any such sponsorship or processing agreement with such entities and in all related future sales transactions, but only so long as (i) such Encumbrances are granted in the ordinary course of business under the terms of a sponsorship or processing agreement to which the applicable Borrower is a party, and (ii) such Encumbrances secure only (x) ordinary course liabilities arising under any such sponsorship or processing agreement and (y) any other obligations and liabilities of the applicable Borrower arising under any other agreement between such Borrower and such entities (provided that such Borrower has incurred no obligations or liabilities to any such entity other than those arising under a sponsorship or processing agreement with such entity) and (iii) any such Encumbrance does not extend to any Property of any applicable Borrower other than that described in this subparagraph (xi) and the amount secured by such Encumbrance shall not exceed the amount owed by the applicable Borrower under any such agreement.

5. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue 45,000 Class P non-voting units of i3 to David Geers pursuant to the i3-EZ Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

6. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

7. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

8. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

9. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

10. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

11. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

12. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

I3 VERTICALS, LLC

By: /s/ Gregory S. Daily
Gregory S. Daily, Chief Executive Officer and President

CP-TOPS, LLC

CP-USDC, LLC

CP-PS, LLC

CP-APS, LLC

CP-DBS, LLC

i3 VERTICALS MANAGEMENT SERVICES, INC.

i3-RS, LLC

i3-EZPAY, LLC

By: /s/ Gregory S. Daily
Gregory S. Daily, President

[Signatures to First Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to First Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to First Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-EZ to the Loan Agreement and certain other Loan Documents.]

**SECOND AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of June 25, 2015, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company; i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), and i3-PBS, LLC, a Delaware limited liability company ("i3-PBS") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3 Management, i3-RS, and i3-EZ are the "Existing Borrowers," and the Existing Borrowers and i3-LL and i3-PBS are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L. P. ("CCSD I"), a Delaware limited partnership; CCSD II, L. P. ("CCSD II"), a Delaware limited partnership; HERBERT MEZZANINE PARTNERS III, L.P. ("Herbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015 (as amended, the "Loan Agreement"); and

B. Each of i3-LL and i3-PBS has recently been formed as a wholly-owned subsidiary of i3 and each wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-LL.** i3-LL hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-LL as a party thereto. i3-LL further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-LL agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-LL agrees to execute and/or deliver to Collateral Agent such additional loan

documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-LL.

3. **i3-LL Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-L L of assets pursuant to that certain Asset Purchase Agreement (the “i3-LL Acquisition Agreement”) dated as of June 12, 2015 by and among i3-LL, Local Level, LLC, an Ohio limited liability company, Lori Huff, and Lori Ludwig, qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-LL Acquisition Agreement, including under Section 2.6 thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition. The Lenders hereby agree that such acquisition shall be treated as a Permitted Acquisition under the Loan Agreement.

4. **Joinder of i3-PBS.** i3-PBS hereby joins in (i) the Loan Agreement as a “Borrower,” (ii) the Term Loan Notes as a “Maker,” (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the “Security Agreement”) as a “Debtor,” and all such documents are hereby amended to include i3-PBS as a party thereto. i3-PBS further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-PBS agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-PBS agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-PBS.

5. **i3-PBS Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-PBS of assets pursuant to that certain Asset Purchase Agreement (the “i3-PBS Acquisition Agreement”) dated as of June 25, 2015 by and among i3-PBS, NJOY Products, LLC, a Florida limited liability company d/b/a Practical Business Solutions, Bradley A. Thomas, and Karen S. Thomas, qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-PBS Acquisition Agreement, including under Section 2.6 thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition. The Lenders hereby agree that such acquisition shall be treated as a Permitted Acquisition under the Loan Agreement. NJOY Products, LLC is a party to that certain Payment Gateway Reseller Application & Agreement between Authorize.Net and NJOY Products, LLC, dated May 7, 2013 (the “Auth.Net Agreement”). NJOY Products, LLC has no indebtedness owing to Authorize.Net, but NJOY Products, LLC granted Authorize.Net a security interest in all of the assets of NJOY Products, LLC. i3-PBS covenants and agrees that it will obtain a full release and termination of such security interest in favor of Auth.Net on or before August 30, 2015, and i3-PBS shall furnish Collateral Agent evidence satisfactory to it that such security interest has been released. In the event that such lien and security interest is not terminated and released by August 30, 2015, an Event of Default shall exist under the Loan Agreement.

6. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 260,000 Class P non-voting units of i3 to Bradley A Thomas, Karen S Thomas, and/or their designees pursuant to the i3-PBS Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

7. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

8. **Landlord Waivers.** Lenders hereby waive the requirements of Section 6.13 of the Loan Agreement with respect to the lease by i3-PBS of office space located at 2859 N. Susquehanna Trail, Shamokin Dam, PA 17876.

9. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

10. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

11. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

12. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

13. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

14. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

15. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

16. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

17. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

This Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents is dated as of the date first written above.

BORROWERS:

I3 VERTICALS, LLC

CP-TOPS, LLC

CP-USDC, LLC

CP-PS, LLC

CP-APS, LLC

CP-DBS, LLC

I3 VERTICALS MANAGEMENT SERVICES, INC.

i3-RS, LLC

i3-EZPAY, LLC

i3-LL, LLC

i3-PBS, LLC

By: /s/ Clay Whitson

Clay Whitson, Chief Financial Officer and Secretary

[Signatures to Second Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ M. Leland Ballew

Name: M. Leland Ballew

Title: Manager

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ M. Leland Ballew

Name: M. Leland Ballew

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ M. Leland Ballew

Name: M. Leland Ballew

Title: Manager

[Signatures to Second Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Second Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-LL and i3-PBS to the Loan Agreement and certain other Loan Documents.]

**THIRD AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of August 11, 2015, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), and i3-Infin, LLC, a Delaware limited liability company ("i3-Infin") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, and i3- PBS are the "Existing Borrowers," and the Existing Borrowers and i3-Infin are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, and as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015 (as amended, the "Loan Agreement"); and

B. i3-Infin has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-Infin.** i3-Infin hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-Infin as a party thereto. i3-Infin further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or

hereafter arising. Without limiting the foregoing, i3-Infin agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-Infin agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-Infin.

3. **i3-Infin Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-Infin of assets pursuant to that certain Asset Purchase Agreement (the "i3-Infin Acquisition Agreement") dated as of July 30, 2015 by and among i3-Infin, Innovative Financial Technologies, LLC d/b/a Infintech, an Ohio limited liability company, Tom Debord, Ryan Rybolt and Joff Moine, other than with respect to the amount of the purchase price, qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition (other than with respect to the amount of the purchase price) have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-Infin Acquisition Agreement, including under Section 2.6 thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition. The Lenders hereby consent to the acquisition contemplated by the Infin Acquisition Agreement.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 300,000 fully-vested common units of i3 and 25,000 Class P non-voting units of i3 pursuant to the Infin Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights

or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

[Signatures to Third Amendment to First Amended and Restated Loan Agreement and
Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Third Amendment to First Amended and Restated Loan Agreement and
Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-Infin to the Loan Agreement and certain other Loan Documents.]

**FOURTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of January 11, 2015, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), and i3-BP, LLC, a Delaware limited liability company ("i3-BP") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3Management, i3-RS, i3-EZ, i3-LL, i3-PBS, and i3-Infin are the "Existing Borrowers," and the Existing Borrowers and i3-BP are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, and as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015 (as amended, the "Loan Agreement"); and

B. i3-BP has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-BP.** i3-BP hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-BP as a party thereto. i3-BP further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter

arising. Without limiting the foregoing, i3-BP agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-BP agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-BP.

3. **i3-BP Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-BP of assets pursuant to that certain Asset Purchase Agreement (the "i3-BP Acquisition Agreement") dated as of the date hereof, by and among i3-BP, Skyhill Software Incorporated, a Minnesota corporation, Pam Medvec, Jim Van Someren, John Weitzel, Thomas Hartman, and Jacob Copsey qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-BP Acquisition Agreement, including under Section 2.6 thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition. The Lenders hereby agree that such acquisition shall be treated as a Permitted Acquisition under the Loan Agreement.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 60,000 Class P non-voting units of i3 pursuant to the i3-BP Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Landlord Waivers.** Lenders hereby waive the requirements of Section 6.13 of the Loan Agreement with respect to the lease by i3-BP of office space located at 25 6th Avenue North, St. Cloud, MN 56303.

7. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

8. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

9. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

10. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

11. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights

or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

12. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

13. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

14. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

15. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

16. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

I3 VERTICALS, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

[Signatures to Fourth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

[Signatures to Fourth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Fourth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-BP to the Loan Agreement and certain other Loan Documents.]

**FIFTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of April 29, 2016, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company; i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), and i3- BP, LLC, a Delaware limited liability company ("i3-BP") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, and i3-BP are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, and as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016 (as amended, the "Loan Agreement"); and

B. The parties hereto wish to amend the Loan Agreement and other Loan Documents;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **i3-Axia Acquisition.** Borrowers have informed Lenders that i3 formed i3-Axia, LLC ("i3-Axia"), a Delaware limited liability company and wholly-owned subsidiary of i3, to purchase certain assets pursuant to that Asset Purchase Agreement to be dated on or around April 29, 2016, by and among i3-Axia, Axia Holdings, Inc., Axia Payments, Inc., the Clark Living Trust, Randal Clark, Amy Clark, and i3 (the "Axia Acquisition"). The Lenders consent to the Axia Acquisition; provided, however, that the terms of Sections 6.13, 6.20, and 6.22 of the Loan Agreement (as amended hereby) shall be applicable to such acquisition, and Borrowers further agree to take all other actions required under the Loan Documents to cause such acquisition to qualify as a "Permitted Acquisition" under the Loan Agreement (excluding the size of the purchase consideration thereof).

3. **Consent to Replacement Senior Loan.** Collateral Agent and Lenders consent to Borrowers' entering into a replacement Senior Loan on the date hereof, as contemplated by that Intercreditor and Subordination Agreement dated as of the date hereof, by and among First Bank, as Administrative Agent for the replacement Senior Lenders, Collateral Agent, Lenders, and Borrowers.

4. **Amendments to Loan Documents.**

(a) **New Definitions.** Section 1.1 of the Loan Agreement is hereby amended by inserting the following new definition in appropriate alphabetical order:

"Residual Buyout" means any transaction in which a Borrower purchases a portion of the residual payments of any third party Person which provides business services to such Borrower; provided that any such residual buyout transaction shall be made in the ordinary course of business and consistent with prudent business practices customary in the industry in which such Borrower operates, and further provided that if any such residual buyout involves a payment of \$500,000.00 or more, prior to the consummation of any such transaction, such Borrower shall provide a pro forma compliance certificate to the Collateral Agent which demonstrates compliance on a pro forma basis with the covenants set forth in Article 8.

(b) **Acquisitions.** The definition of "Acquisition" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"Acquisition" means (a) any Investment by any Borrower and any other Person organized in the United States (with substantially all of the assets of such Person and its Subsidiaries located in the United States), pursuant to which such Person shall become a Subsidiary of any Borrower or any of its Subsidiaries or shall be merged with any Borrower or any of its Subsidiaries or (b) any acquisition by any Borrower or any Subsidiaries thereof of the assets of any Person (other than a Subsidiary of any Borrower) that constitute all or substantially all of the assets of such Person or an entire portfolio (or a portion thereof, including, without limitation, Residual Buyouts in excess of \$500,000), division, or business unit of such Person, whether through purchase, merger or other business combination or transaction (and substantially all of such assets, division or business unit are located in the United States). With respect to a determination of the amount of an Acquisition, such amount shall include all consideration (including any deferred payments) set forth in the applicable agreements governing such Acquisition as well as the assumption of any Debt in connection therewith."

(c) **Permitted Acquisitions.** The definition of "Permitted Acquisition" in Section 1.1 of the Loan Agreement is hereby amended by:

(i) replacing the number "\$10,000,000" in subclause (ix) thereof with "\$15,000,000"; and

(ii) replacing the number "\$3,500,000" in subclause (xii) thereof with "\$5,000,000".

(d) **Senior Loan Agreement.** The definition of "Senior Loan Agreement" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"Senior Loan Agreement" means that Term Loan Agreement and Revolving Loan Agreement dated as of April 29, 2016, among Borrowers, certain lenders signatory thereto, and First Bank, as Administrative Agent for such lenders (as may be amended from time to time in accordance with its terms and the Senior Subordination Agreement)."

(e) **Maturity Date.** Section 2.8 of the Loan Agreement is hereby amended by replacing the date "February 13, 2019" in subclause (iii) thereof with "November 29, 2020".

(f) **Landlord Agreements.** Section 6.13 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"6.13 **Landlord Waivers.** Prior to or within sixty (60) days after leasing any real property from any Person other than another Borrower at which books and records are stored or where Collateral with a value in excess of \$250,000 is located, Borrowers shall use commercially reasonable efforts to obtain from the landlord an agreement in form and substance reasonably satisfactory to Lenders pursuant to

which the landlord waives or subordinates any right to any Encumbrance of the Collateral and otherwise provides Lenders with customary assurances as to access to the Collateral, the ongoing good standing of the lease, and related matters."

(g) **Additional Subsidiaries.** Section 6.20(a) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"(a) **Additional Subsidiaries.** In the event that, subsequent to the Closing Date, any Person becomes a Subsidiary, whether pursuant to formation, acquisition or otherwise, (x) Borrowers shall promptly notify Collateral Agent and Lenders thereof and (y) within 30 days (or such longer time as the Required Lenders may permit) after such Person becomes a Subsidiary, Borrowers shall cause such Subsidiary (i) to become a Borrower and to grant liens in favor of the Collateral Agent in all of its personal property by executing and delivering to Collateral Agent a supplement or amendment to the Security Agreement in form and substance reasonably satisfactory to the Collateral Agent, and authorizing and delivering, at the request of Collateral Agent, such UCC financing statements or similar instruments required by Collateral Agent to perfect the liens in favor of Collateral Agent and granted under any of the Loan Documents, and (ii) to deliver all such other documentation (including, without limitation, certified organizational documents, resolutions, lien searches and legal opinions) and to take all such other actions as such Subsidiary would have been required to deliver and take pursuant to Section 4.1 if such Subsidiary had been a Borrower on the Closing Date. In addition, within 30 days (or such longer time as the Required Lenders may permit) after the date any Person becomes a Subsidiary, Borrowers shall (i) pledge all of the Equity Interests of such Subsidiary to Collateral Agent as security for the Obligations by executing and delivering applicable documents in form and substance satisfactory to Collateral Agent, and (ii) deliver any original certificates evidencing such pledged Equity Interests to Collateral Agent, together with appropriate powers executed in blank."

(h) **Required Consents.** The following is added as a new Section 6.12 of the Loan Agreement:

"6.22 **Consents.** In connection with a Permitted Acquisition, where the acquired entity has a third party payment processing contract with a processing provider that has generated revenue for such acquired entity in excess of \$500,000 for the twelve (12) calendar months prior to closing of such Permitted Acquisition, the Borrower will use its commercially reasonable efforts to obtain a consent of such third party processor reasonably acceptable to the Collateral Agent on or before the closing date of such Permitted Acquisition or within sixty (60) days thereafter (provided, for the avoidance of doubt, that delivery to Collateral Agent of such consent shall not be a condition to the consummation of such Permitted Acquisition hereunder so long as the Required Lenders' designee to the Governing Body of i3 Verticals (which designee as of the date hereof is John C. Harrison) consents thereto and further provided that such sixty (60) day period may be extended by the Collateral Agent in its discretion if the Borrowers are exercising reasonable efforts to obtain such consent)."

(i) **Permitted Indebtedness.** Section 7.1 of the Loan Agreement is hereby amended by replacing the number "\$250,000" in subclause (iii) thereof with "\$500,000".

(j) **Asset Acquisitions.** Section 7.9 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"7.9 **Asset Acquisitions.** Borrowers shall not acquire a material part of a Person's assets or of the assets constituting a portfolio, line of business, business location, or other business unit operated by a Person, except for Permitted Acquisitions or a Residual Buyout."

(k) **Restrictive Agreements.** Section 7.19 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"7.19 **Restrictive Agreements.** Except for the Senior Subordination Agreement, Borrowers shall not enter into any agreement that restricts prepayments under this Agreement, limits Borrowers' ability to provide the Collateral required hereunder, or otherwise restricts in any material respect Borrowers' ability to freely perform under the Loan Documents (other than agreements with prohibits rendered not effective pursuant to the Uniform Commercial Code or any other applicable Law (including Debtor Relief Laws) or principles of equity).

(l) **Financial Covenants.** Article 8 of the Loan Agreement is hereby amended and restated in its entirety to read as provided on Exhibit A attached hereto.

(m) **Judgments.** Section 9.1 of the Loan Agreement is hereby amended by replacing the number "\$50,000" in subclause (m) thereof with "\$250,000".

(n) **Subordination Legend.** Each Loan Document is hereby amended to delete any subordination legend included thereon and replace such legend with the following:

The indebtedness evidenced by this instrument is subordinated in right of payment to certain indebtedness to various lenders, for which First Bank is acting as Administrative Agent, and the liens on and security interests in collateral securing this instrument are subordinated in rights of priority to liens on and security interests in collateral securing such indebtedness, in each case pursuant to, and to the extent provided in, the Intercreditor and Subordination Agreement ("Intercreditor Agreement") dated as of April 29, 2016, executed by and between First Bank, as Administrative Agent for the Senior Lenders and Claritas Capital Specialty Debt Fund, L.P., CCSD II, L.P., and Harbert Mezzanine Partners III, L.P., as lenders and Claritas Capital Specialty Debt Fund, L.P. as Collateral Agent, as such Intercreditor Agreement may be amended, modified or supplemented from time to time. Payments may be made under this instrument only to the extent expressly permitted under such Intercreditor Agreement. In case of a conflict between the terms of this note and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall govern. This legend shall be placed on any note or other instrument given at any time in substitution for or replacement hereof.

(o) **Amendments to Security Agreement.** The Security Agreement is hereby amended by:

(i) inserting the following new definitions in appropriate alphabetical order:

"**Excluded Property**" means all Merchant Funds.

"**Merchant**" means any customer for whom any Borrower directly or indirectly provides electronic payment processing services, including, without limitation, credit, debit, PIN debit, fleet, gift card, rewards and loyalty programs, electronic benefit transfer and check authorization and conversion, or with respect to whom any Borrower directly or indirectly receives residuals, commissions or fees.

"**Merchant Funds**" means all loss reserves, deposits, suspended/held funds, and any other monies or accounts owned by a Merchant, whether held by a Borrower or third party.

(ii) inserting the following sentence at the end of the definition of "Collateral":

"Notwithstanding the foregoing, the Collateral shall not include any Excluded Property."

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit B.

6. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

I3 VERTICALS, LLC
CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

[Signatures to Fifth Amendment to First Amended and Restated Loan Agreement and
Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Fifth Amendment to First Amended and Restated Loan Agreement and
Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Fifth Amendment to First Amended and Restated Loan Agreement and
Omnibus Amendment to Loan Documents]

EXHIBIT A

Restated Financial Covenants

ARTICLE 8
FINANCIAL COVENANTS

8.1 Minimum Fixed Charge Coverage Ratio. As of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending on March 31, 2015, Borrowers will maintain a Fixed Charge Coverage Ratio of not less than 1.20 to 1.00.

8.2 Maximum Total Leverage Ratio. As of the end of each Fiscal Quarter, (i) commencing with the Fiscal Quarter ending on March 31, 2015, Borrowers will maintain a Total Leverage Ratio of not greater than 4.25 to 1.00, (ii) commencing with the Fiscal Quarter ending on June 30, 2016, Borrowers will maintain a Total Leverage Ratio of not greater than 4.75 to 1.00, (iii) commencing with the Fiscal Quarter ending on December 31, 2016, Borrowers will maintain a Total Leverage Ratio of not greater than 4.5 to 1.00, and (iv) commencing with the Fiscal Quarter ending on March 31, 2019, Borrowers will maintain a Total Leverage Ratio of not greater than 4.25 to 1.00.

8.3 Financial Definitions. As used in this Agreement, the following capitalized terms have the meanings set forth below (all calculations are to be made in accordance with GAAP unless otherwise noted and all calculations are to be made for Borrowers on a consolidated basis):

"**Acquisition EBITDA**" shall mean EBITDA, with respect to any Permitted Acquisition, calculated as follows: (i) for the Fiscal Quarter in which the Permitted Acquisition occurs, an agreed upon pro forma annual EBITDA between Borrowers and Lenders, (ii) for the first full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 4, (iii) for the second full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 2, (iii) for the third full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 1.33, and (iv) for each quarter thereafter, actual trailing twelve-month EBITDA of the acquired entity.

"**Adjusted EBITDA**" shall mean the sum of EBITDA plus Acquisition EBITDA, less any actual EBITDA of a Permitted Acquisition from the close of Acquisition through the end of each of the next four (4) Fiscal Quarters reflected in Borrowers' financial statements, minus EBITDA of any business, property or asset sold, transferred or otherwise disposed of during such period, plus or minus any adjustments mutually agreed upon by Borrowers, Lenders, and the Senior Lender.

"**Capital Expenditures**" means, for any period, the aggregate cost of all capital assets acquired by any Borrower during such period (including gross leases to be capitalized under GAAP and leasehold improvements, but excluding costs of any capital assets acquired as a part of a Permitted Acquisition), as otherwise as determined in accordance with GAAP.

"**EBITDA**" means, for any period of determination and without duplication, the sum of consolidated net income of Borrowers for such period (computed without regard to any extraordinary items of gain or loss), plus to the extent included in the calculation of consolidated net income for such period, the sum of (A) interest expense, (B) income tax expense determined in accordance with GAAP, (C) depreciation and amortization determined in accordance with GAAP, (D) all other non-cash charges determined in accordance with GAAP acceptable to the Lenders, (E) other one-time non-recurring income and expenses paid during such period (including Contingent Consideration), but only to the extent approved by the Lenders in writing, and (F) other adjustments to EBITDA mutually agreed to by Lenders, the Senior Lender and Borrowers, EBITDA shall be calculated for any Fiscal Quarter, based on the trailing 12 month period.

[Schedule/Exhibit to Fifth Amendment to First Amendment and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

"**Fixed Charge Coverage Ratio**" shall mean the ratio at any time of determination and for any period, (i) the sum of (A) Adjusted EBITDA for the twelve (12) month period then ended, minus (B) all unfinanced Capital Expenditures computed on a trailing twelve-month basis, minus (C) dividends or distributions accrued for income tax expenses for such period, minus (D) income tax expenses for such period, divided by (ii) the sum of (A) actual cash interest payments paid in such period and (B) the current portion of scheduled principal payments on Funded Debt coming due in the twelve (12) fiscal months immediately following the end of such period. The amount of income tax expense, all dividends or distributions accrued for income tax expense, and cash interest payments will be computed on a trailing twelve-month basis.

"**Funded Debt**" means all Debt outstanding under the Senior Loan, together with any outstanding amounts under all Seller Notes.

"**Total Funded Debt**" means at any time of determination with duplication, all debt obligations of Borrowers including senior debt, subordinated debt, and Seller Notes, but excluding any debt obligations related to or included in Contingent Consideration.

"**Total Leverage Ratio**" means the ratio determined as of the end of any Fiscal Quarter of (i) all Total Funded Debt, to (ii) Adjusted EBITDA.

[Schedule/Exhibit to Fifth Amendment to First Amendment and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT B

[Schedules updated to reflect the reaffirmation of the representations and warranties made in Article 5 of the Loan Agreement.]

**SIXTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of May 12, 2016, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company; i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation; i3-RS, LLC ("i3-RS"), a Delaware limited liability company; i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), and i3-Axia, LLC, a Delaware limited liability company ("i3-Axia") (CP, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, and i3-BP are the "Existing Borrowers," and the Existing Borrowers and i3-Axia are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HERBERT MEZZANINE PARTNERS III, L.P. ("Herbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, and as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016 (as amended, the "Loan Agreement"); and

B. i3-Axia has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-Axia.** i3-Axia hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-Axia as a party thereto. i3-Axia further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral

Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-Axia agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-Axia agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-Axia.

3. **i3-Axia Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-Axia of assets pursuant to that certain Asset Purchase Agreement (the "i3-Axia Acquisition Agreement") dated as of April 29, 2016, by and among i3-Axia, Axia Holdings, Inc., Axia Payments, LLC, the Clark Living Trust, Randal Clark, Amy Clark, and i3 Verticals, LLC qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition (other than with respect to the amount of the purchase price) have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-Axia Acquisition Agreement, including under Section 2.7 thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition. The Lenders hereby consent to the acquisition contemplated by the Axia Acquisition Agreement.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 665,000 fully vested Common Units of i3 pursuant to the i3-Axia Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

i3 VERTICALS, LLC
CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Chief Financial Officer and Secretary

[Signatures to Sixth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND,
L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND,
L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Sixth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Sixth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-Axia to the Loan Agreement and certain other Loan Documents.]

**SEVENTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of June 30, 2016, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), and i3-Randall, LLC, a Delaware limited liability company ("i3-Randall") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, and i3-Axia are the "Existing Borrowers," and the Existing Borrowers and i3-Randall are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, and as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016 (as amended, the "Loan Agreement"); and

B. i3-Randall has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-Randall.** i3-Randall hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended

to include i3-Randall as a party thereto. i3-Randall further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-Randall agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-Randall agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-Randall.

3. **i3-Randall Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-Randall of assets pursuant to that certain Asset Purchase Agreement (the "i3-Randall Acquisition Agreement") dated as of June 30, 2016, by and among i3-Randall, Randall Data Systems, Inc., Brian McNett, and Kimberly McNett qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-Randall Acquisition Agreement, including under Article III thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

4. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

5. **Consent to Amendment of LLC Agreement.** Lenders hereby consent to the amendment of i3's limited liability company agreement pursuant to that Second Amendment to the Third Amended and Restated Limited Liability Company Agreement of i3-Verticals, LLC attached hereto as Exhibit B.

6. **Consent to Certain Matters Regarding Issuance of Equity.** Lenders hereby consent to the issuance by i3 of Equity Interests as described in and on the terms and conditions provided in the equity subscription and closing documents attached hereto as Exhibit C.

7. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

8. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

9. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

10. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair

the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

11. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

12. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

13. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

14. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

15. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

16. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

i3 VERTICALS, LLC
CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i-BP, LLC
i3-AXIA, LLC
i3-RANDALL, LLC

By: /s/ Clay Whitson
Name: Clay Whitson
Title: Clay Whitson, Chief Financial Officer and Secretary

[Signatures to Seventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND,
L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND,
L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Seventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Seventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-Randall to the Loan Agreement and certain other Loan Documents.]

EXHIBIT B

Amendment to LLC Agreement

[Schedule/Exhibit to Seventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

**SECOND AMENDMENT TO THE
THIRD AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
i3 VERTICALS, LLC**

THIS AMENDMENT to the Third Amended and Restated Limited Liability Company Operating Agreement of i3 Verticals, LLC (the "LLC Agreement"), is made in accordance with the terms of the LLC Agreement effective June 30, 2016.

WHEREAS, i3 Verticals, LLC, a Delaware limited liability company (the "Company"), established the LLC Agreement effective January 15, 2014 and, effective November 14, 2014, amended the LLC Agreement by approval of its Board of Directors (the "Board") and its Class A Preferred Members (the "Members") in accordance with the terms of the LLC Agreement;

WHEREAS, the Board and the Members desire to amend the LLC Agreement to (i) revise certain defined terms and provisions in order to accommodate the issuance of Class A Preferred Units that has been authorized by the Board; (ii) to provide for a total of seven members of the Board; (iii) provide for a total of two "Independent Directors" as such term is defined in the LLC Agreement; and (iv) to substitute the term "Class A Directors" for the term "Independent Directors" as used in the LLC Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Members and the Company hereby agree to the amendment of the LLC Agreement as follows:

I. The definition of "Class A Original Issue Price" is restated as follows:

"Class A Original Issue Price" means: (i) \$1.00 per Class A Unit that was issued prior to the amendment of the LLC Agreement on June 30, 2016; (ii) \$3.23 per Class A Unit with respect to Class A Units issued pursuant to a subscription dated on or about June 30, 2016; and (iii) with respect to all other Class A Units, the value agreed upon in writing by a Member and the Company. The Class A Original Issue Price is subject to appropriate adjustment in the event of any Unit dividend, Unit split, combination or other similar recapitalization with respect to the Class A Units.

II. The definition of "Class A Unreturned Capital" is restated as follows:

"Class A Unreturned Capital" means, with respect to each Class A Unit, an amount equal to the Class A Original Issue Price (as adjusted for any Unit dividends, combinations, splits, reclassification and the like with respect to the Class A Units) of such Class A Unit, reduced by the cumulative distributions made with respect to such Class A Unit pursuant to Section 4.2(a)(ii).

III. The Term "Independent Director" under Cross References is restated as "Class A Director."

IV. Section 5.1(b) is restated as follows:

(b) Number of Directors. Effective June 30, 2016, the number of directors which will constitute the entire Board will be seven. Directors need not be Members of the Company.

V. The following sentence is be added to the end of Section 5.1(c)(i):

Effective June 30, 2016, R. Burton Harvey and David M. Wilds shall serve as the FAP Directors.

VI. Section 5.1(c)(iv) is restated as follows:

(iv) Effective June 30, 2016, the Members holding a majority of the Class A Units and Warrant Units issuable upon the exercise of the 2013 Mezzanine Lender Warrants, voting together as a single class, will be entitled to designate and elect two (2) members of the Board (each an "Class A Director" and collectively the "Class A Directors"). The Class A Directors will each serve until such time that his or her successor is elected and qualified. Any Class A Director may only be removed, with or without cause, by the Members holding a majority of the Class A Units and Warrant Units issuable upon exercise of the 2013 Mezzanine Lender Warrants, voting together as a single class. As of June 30, 2016, Clay Whitson and Hayes Bryant shall serve as Class A Directors.

The LLC Agreement, as amended by this Amendment, is hereby ratified and shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned authority has executed this Amendment on this 30th day of June, 2016.

i3 VERTICALS, LLC

/s/ Clay Whitson

Clay Whitson, Chief Financial Officer

EXHIBIT C

Equity Issuance Documents

[Schedule/Exhibit to Seventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

i3 VERTICALS, LLC
Class A Closing Statement
June 2016

This Closing Statement is executed as of June 29, 2016, by i3 Verticals, LLC, a Delaware limited liability company (the "Company").

The Company and certain other parties (the "Investors") have executed and delivered one or more Subscription Agreements (each a "Subscription Agreement") with respect to the purchase by the Investors of shares of the Company's Class A Units (the "Units") for a price of \$3.23 per Unit. Pursuant to the Subscription Agreements, the Investors have agreed to purchase from the Company and the Company has agreed to issue and sell to the Investors, at the applicable closing an aggregate of 309,975.232198140 Units. The Company desires hereby to memorialize the manner in which the purchase price for each Unit will be paid at each closing.

i3 Verticals, LLC Aggregation Account Wiring Instructions	
Bank Name:	First Bank
Bank Address:	211 Commerce Street, Suite 300 Nashville, TN 37219
Account Name:	i3 Verticals, LLC Aggregation Account
ABA#/Routing #:	084307033
Account #:	86847310
Address:	40 Burton Hills Blvd, Suite 415 Nashville, TN 37215
Contact:	Phena Grimes at 615-313-0497, or Carlos Muruas at 615-687-1298

Class A Units Purchases (3.23/Unit)				
Investor Name	Number of Units	Total Unit Price	Method of Payment	Payment Receipt
James Stephen Turner, Jr.	30,959.752321981	\$100,000	Cash	
Katherine Rose Turner 1997 Grandchild Trust	61,919.504643963	\$200,000	Cash	
James Stephen Turner III 2000 Grandchild Trust	61,919.504643963	\$200,000	Cash	
7/6 Investment Partnership LP	464,396.284829721	\$1,500,000	Cash	
David M. Wilds	154,798.761609907	\$500,000	Cash	
Greg S. and Collie F. Daly	309,597.523219814	\$1,000,000	Cash	
Greg S. and Collie F. Daily	309,597.523219814	\$1,000,000	Note Conversion	
HMP III Equity Holdings, LLC	835,913.312693498	\$2,700,000	Cash	
CCSD II, L.P. and related entities	417,956.656346749	\$1,350,000	Cash	
Clnritas Capital Specialty Debt Fund L.P.	417,956.656346749	\$1,350,000	Cash	
Clay Whitson	30,959.752321981	\$100,000	Cash	
Totals	3,095,975.232198140	\$10,000,000		

ACKNOWLEDGED and AGREED

i3 VERTICALS, LLC

/s/ Clay Whitson

Clay Whitson, Chief Financial Officer

i3 VERTICALS, LLC
(A Delaware Limited Liability Company)
\$10,000,000 Class A Units of Limited Liability Company Interest

Class A Units of limited liability company interest (the "Units") are offered hereby in i3 Verticals, LLC, f/k/a Charge Payment, LLC (the "Company"), a Delaware limited liability company engaged in the business of processing electronic payments and developing software systems that support payment processing. At the closing of this offering, one Unit will be issued to investors (the "Investors") for each \$3.23 invested in the Company.

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AUTHORITY NOR HAS ANY SUCH SECURITIES AUTHORITY PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS OFFERING DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

June 30, 2016

i3 VERTICALS, LLC

INSTRUCTIONS

If, after you have carefully considered the information that has been provided to you concerning the Company, you decide to subscribe for Units in the Company, please follow the instructions below. The information requested in the Subscription Agreement and related documents is necessary to establish exemptions from registration of the offer and sale of the Units under federal and state securities laws.

The Subscription Agreement included herein (the "Subscription Agreement") must be completed and executed correctly and delivered to the Company on or before June 30, 2016. It is suggested that subscribers make and retain copies of the completed Subscription Agreement. The information provided by subscribers is confidential and will not be reviewed by anyone other than the Company and its affiliates and their counsel and agents, except as may be required by applicable law or legal process. Authorized representatives of entity subscribers should initial their answer to each of the questions in Section 5.1(e) of the Subscription Agreement.

The Company reserves the right to accept or reject any subscription, in whole or in part, and to terminate this offering at any time. This offering will terminate on June 30, 2016.

Subscription Agreement. Subscribers must date, complete and execute a Subscription Agreement. Carefully review the entire Subscription Agreement, including the representations, acknowledgments and agreements contained therein and complete and sign the signature page of the Subscription Agreement.

Delivery of Subscription Agreement. Each subscriber should return a completed and signed Subscription Agreement on or before the June 30, 2016 to:

Kathryn R. Agnew
i3 Verticals, LLC
40 Burton Hills Boulevard, Suite 415
Nashville, Tennessee 37215

Additional Information. Upon request to the address above, the Company will provide to you and your representatives and advisers an opportunity to ask questions and receive answers concerning the terms and conditions of the Subscription Agreement and to obtain additional information that the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to you.

SUBSCRIPTION AGREEMENT

Pursuant to this Subscription Agreement (this "Agreement"), i3 Verticals, LLC, a Delaware limited liability company (the "Company"), and you ("you" and "your" shall refer to the undersigned investor) hereby agree as follows:

1. Subscription. You are subscribing to acquire securities issued by the Company that are defined as "Class A Units" in the Third Amended and Restated Limited Liability Company Agreement of the Company, as amended, (the "Units"). You hereby acknowledge that you have read and understand that your rights as an investor of the Units will be governed by the terms and conditions set forth in this Agreement. The Company may accept or reject your subscription in whole or in part, in its sole discretion. This offering will terminate on the Closing Date (as defined below).

2. Subscription to the Units. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the respective parties contained herein:

- (a) The Company agrees to issue to you, and you irrevocably subscribe for Units in the number set forth on the signature page to this Agreement;
- (b) The following consideration is provided to acquire the Units (check all that apply):

Cash in the amount of \$1,350,000

Cancellation of that 10% Subordinated Promissory Note, dated February 14, 2014, in the principal amount of \$3,000,000 (the "Note") in the amount of \$ _____;

To the extent of the cancellation of the Note that is indicated above, the Company's obligations to you under the Note will be deemed paid in full upon the delivery of the Units on the Closing Date; and

(c) The Company agrees that you shall be holder of the Units, upon the terms and conditions, and in consideration of your Agreement to be bound by the terms and provisions of this Agreement. Subject to the terms and conditions hereof and thereof, your obligation to subscribe and pay for the Units as described in this Section 2 shall be complete and binding upon the execution and delivery of this Agreement by you and its acceptance by a duly authorized representative of the Company.

3. Closing Date. The closing of your investment in the Units shall take place on ___ June 30, 2016 (the "Closing Date"). On the Closing Date, and upon satisfaction of the conditions set out in Section 4 of this Agreement, the Units will be issued to you.

4. Conditions Precedent to the Company's Obligations. The obligations of the Company to issue to you the Units at the Closing shall be subject to the fulfillment (or waiver by the Company) prior to or at the time of the Closing, of the following conditions:

- (a) Representations and Warranties. The representations and warranties made by you in Section 5 shall be true and correct when made and at the time of the Closing.
- (b) Performance. You shall have duly performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by you prior to or at the time of the Closing.

5. Representations and Warranties of the Investor.

5.1. The Representations and Warranties. You represent and warrant to the Company that each of the following statements is true and correct:

(a) Accuracy of Information. All of the information provided by you to the Company in connection with this investment, including but not limited to any Investor Questionnaire, which responses and representations are incorporated herein by reference and made a part of this Agreement, is true, correct and complete in all respects. Any other information you have provided to the Company about you is correct and complete as of the date of this Agreement.

(b) Advice. You have either consulted your own investment adviser, attorney or accountant about the investment and proposed investment in the Units and its suitability to you or chosen not to do so, despite the recommendation of that course of action by the Company.

(c) Subscription Agreement. You understand the risks of, and other considerations relating to, an investment in the Units and the governing provisions of the Third Amended and Restated Limited Liability Company Agreement dated January 15, 2014, as amended (the "Limited Liability Company Agreement"). You have been given access to, and prior to the execution of this Agreement you were provided with an opportunity to ask questions of, and receive answers from, the Company or any of its principals concerning the terms and conditions of the offering of the Units, and to obtain any other information which you and your investment representative and professional advisors requested with respect to the Company, its operations and other matters related to the Company and your investment in the Company in order to evaluate your investment and verify the accuracy of all information furnished to you regarding the Company. All such questions, if asked, were answered satisfactorily and all information or documents provided were found to be satisfactory by you.

(d) Accredited Investor. You are an accredited investor within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act") and have provided the Company with information concerning the basis for your accredited investor status.

(e) Suitability Statements, Supplemental Data and Foreign Ownership. The truth, correctness and completeness of the following information supplied by you is warranted pursuant to Section 5.1(a) above. You recognize that you may be required to confirm the following information at a later date or provide additional information for compliance purposes upon request. PLEASE INITIAL TO THE LEFT OF EACH APPLICABLE STATEMENT:

____ You are a corporation, a Massachusetts or similar business trust, a partnership or limited liability company, in each case not formed or operated for the specific purpose of acquiring the Units and in each case with total assets in excess of \$5,000,000; or

____ ü You are an entity as to which all the equity owners are accredited investors within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act. The Company, in its sole discretion, may request information regarding the basis on which such equity owners are accredited.

PLEASE INITIAL TO THE LEFT OF EACH APPLICABLE STATEMENT:

- True False ____ You (i) were not formed, and (ii) are not being utilized, primarily for the purpose of making an investment in the Company.
- True ____ False You are (i) an "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not such plan is subject to Title I of ERISA, (ii) a "plan" (as defined in Section 4975(e)(1) of

the Code, including without limitation, an individual retirement account), whether or not subject to Section 4975 of the Code, (iii) an entity whose underlying assets include plan assets by reason of a plan's investment in such entity or (iv) an entity that otherwise constitutes a "benefit plan investor" within the meaning of the Department of Labor Regulation, 29 C.F.R. Section 2510.3-101 (the "Plan Assets Regulation"), including but not limited to, an insurance company general account, an insurance company separate account, a collective investment fund or a governmental plan (whether foreign or domestic), a plan maintained by a foreign corporation (each of (i), (ii), (iii) or (iv), a "Benefit Plan Investor").

Disclosure of Foreign Ownership.

- True ___ False You are an entity organized under the laws of a jurisdiction other than those of the United States or any state, territory or possession of the United States (a "Foreign Entity").
- True ___ False You are a corporation or limited liability company of which, in the aggregate, more than one-fourth of the equity capital is owned of record or voted by Foreign Citizens, Foreign Entities, Foreign Corporations (as defined below) or Foreign Partnerships (as defined below) (a "Foreign Corporation").
- True ___ False You control or are an entity controlled by, any of the entities listed above.

(f) Transfers and Transferability. You understand and acknowledge that the Units have not been registered under the Securities Act or any state securities laws and are 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, the Units are "restricted securities" as defined by Rule 144 under the Securities Act and cannot be resold or transferred unless they are subsequently registered under the Securities Act and such applicable state securities laws or unless an exemption from such registration is available. You also understand that sales or transfers of the Units are further restricted by the provisions of the Limited Liability Company Agreement.

You represent and warrant that you are acquiring the Units for the purpose of investment and not with a view to the resale or distribution thereof. You represent and warrant further that you have no contract, understanding, agreement or arrangement with any person to sell or transfer or pledge to such person or anyone else any of the Units for which you hereby subscribe (in whole or in part); and you represent and warrant that you have no present plans to enter into any such contract, undertaking, agreement or arrangement.

You understand that the Units cannot be sold or transferred without the prior written consent of the Company, which consent may be withheld in its sole and absolute discretion, or otherwise as expressly permitted by the Limited Liability Company Agreement. You understand that the Units will be illiquid and that there is no public market for the Units. You are aware and acknowledge that, because of the substantial restrictions on the transferability of the Units, it may not be possible for you to liquidate your investment in the Company readily, even in the case of an emergency.

(g) Residence. You maintain your domicile at the address shown on the signature page of this Agreement and you are not merely transient or temporarily a resident there.

(h) Awareness of Risks: Taxes. You represent and warrant that you are aware that the Units involve a high degree of risk of loss and that there is no assurance of any income from your investment. You further represent that you are relying solely on your own conclusions or the advice of your own counsel or investment representative with respect to tax aspects of any investment in the Company and that any disposition of the Units may result in unfavorable tax consequences to you.

(i) Power, Authority; Valid Agreement. (i) You have all requisite power and authority to execute, deliver and perform your obligations under this Agreement and the Limited Liability Company Agreement and to subscribe for and acquire the Units; (ii) your execution of this Agreement and the Limited Liability Company Agreement has been authorized by all necessary action on your behalf; and (iii) this Agreement and

the Limited Liability Company Agreement are each valid, binding and enforceable against you in accordance with their respective terms.

(j) No Conflict; No Violation. The execution and delivery of this Agreement and the Limited Liability Company Agreement by you and the performance of your duties and obligations hereunder and thereunder (i) do not and will not result in a breach of any of the terms, conditions or provisions of, or constitute a default under (A) any charter, by-laws, trust agreement, partnership agreement or other governing instrument applicable to you, (B) (1) any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement or understanding, or (2) any license, permit, franchise or certificate, in either case to which you or any of your affiliates is a party or by which you or any of them is bound or to which your or any of their properties are subject; (ii) do not require any authorization or approval under or pursuant to any of the foregoing; and (iii) do not violate any statute, regulation, law, order, writ, injunction or decree to which you or any of your affiliates is subject.

(k) No Litigation. There is no litigation, investigation or other proceeding pending or, to your knowledge, threatened against you or any of your affiliates which, if adversely determined, would adversely affect your financial condition or your ability to perform your obligations under this Agreement or the Limited Liability Company Agreement.

(l) Consents. No consent, approval or authorization of, or filing, registration or qualification with, any court or governmental authority on your part is required for the execution and delivery of this Agreement or the Limited Liability Company Agreement by you or the performance of your obligations and duties hereunder or thereunder.

(m) Documents. You acknowledge you have received a copy of, and have previously executed and agreed to be bound by, that certain Limited Liability Company Agreement of i3 Verticals, LLC, dated effective as of January 15, 2014, by and among the members therein named, and as amended.

(n) Security Agreement. You acknowledge you have received a copy of the LLC Interests Security Agreement ("Security Agreement") and hereby subject the Units to the Security Agreement. You acknowledge that the Units will be subject to a security interest and, in the event of a default by the Company, such security interest may be executed on and the Units may be transferred to the holder of the security interest.

5.2. Survival of Representations and Warranties. All representations and warranties made by you in Section 5.1 of this Agreement shall survive the execution and delivery of this Agreement, as well as any investigation at any time made by or on behalf of the Company and the issue and sale of the Units.

5.3. Reliance. You acknowledge that your representations, warranties, acknowledgments and agreements in this Agreement will be relied upon by the Company in determining your suitability as an investor in the Units.

5.4. Further Assurances. You agree to provide, if requested, any additional information that may be requested or required to determine your eligibility to invest in the Units.

5.5. Indemnification. You hereby agree to indemnify the Company and its affiliates and to hold each of them harmless from and against any loss, damage, liability, cost or expense, including reasonable attorney's fees (collectively, a "Loss"), in connection with or arising out of a breach of representation, warranty or agreement by you, whether contained in this Agreement or any other document provided by you to the Company in connection with your investment in the Units. You hereby agree to indemnify the Company and its affiliates and to hold them harmless against all Loss arising out of the sale or distribution of the Units by you in violation of the Securities Act or other applicable law or any misrepresentation or breach by you with respect to the matters set forth in this Agreement. The indemnification obligations provided herein shall survive the execution and delivery of this Agreement, any investigation at any time made by the Company and the issue and sale of the Units and shall be in addition to any liability you may otherwise have. Notwithstanding any provision of this Agreement, you do not waive any right granted to you under any applicable securities laws.

6. Certain Agreements and Acknowledgments of the Investor. You understand, agree and acknowledge that:

(a) Acceptance. Your subscription for the Units contained in this Agreement may be accepted or rejected, in whole or in part, by the Company in its sole and absolute discretion. No subscription shall be accepted or deemed to be accepted until (i) you fulfill the conditions of this Agreement and (ii) your receipt of a returned and signed copy of this Agreement indicating that the Company has accepted your subscription for the Units offered herein.

(b) Irrevocability. Except as provided under applicable state securities laws, this subscription is and shall be irrevocable, except that you shall have no obligations hereunder if this subscription is rejected or the offering is cancelled for any reason.

(c) No Recommendation. No foreign, federal, or state authority has made a finding or determination as to the fairness of investment of the Units and no foreign, federal or state authority has recommended or endorsed or will recommend or endorse this offering.

(d) No Transfer. You will not, directly or indirectly, assign, transfer, offer, sell, pledge, hypothecate or otherwise dispose of all or any part of the Units or any interest therein (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of all or any part of the Units) except in accordance with the registration provisions of the Securities Act or an exemption from such registration provisions, with any applicable state or other securities laws and with the terms of the Limited Liability Company Agreement.

(e) Update Information. If there should be any change in the information provided by you to the Company (whether pursuant to this Agreement or otherwise) prior to your investment in the Units, you will immediately furnish such revised or corrected information to the Company.

(f) Reliance on Information. You have not received any representations or warranties from the Company or its affiliates, agents or representatives and, in making this investment decision, are relying solely on your own personal knowledge, your own investigations and the information provided to you at your request, which has been comprised of financial information regarding the Company, including financial statements and excerpts from documents governing our indebtedness that contain financial covenants to which the Company is subject. None of the Company or its affiliates, agents or representatives is guaranteeing the profitability of the Company or that any return will be produced for you. You acknowledge the speculative nature of an investment in the Company and that the investment is subject to loss if the Company is unsuccessful.

(g) Confidentiality. Unless required by law, you shall not disclose or use any confidential non-public information related to the Company, including but not limited to financial statements and excerpts from documents governing our indebtedness that contain financial covenants to which the Company is subject, provided that you may disclose such information to any of your advisors, attorney and accountants, if such advisor, attorney and/or accountant shall have agreed to be bound by this provision.

7. Repurchase Right. You agree that, if any of the representations and warranties made in this Subscription Agreement shall be false or a material fact necessary to make them not materially misleading is omitted, the Company may, but is not obligated to, require you to sell your Units to the Company or any of its affiliates for an amount equal to your investment in such Units pursuant to this Subscription Agreement.

8. General Contractual Matters.

8.1. Amendments and Waivers. This Agreement may be amended and the observance of any provision hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of you and the Company.

8.2. Assignment. You agree that neither this Agreement nor any rights which may accrue to you hereunder may be transferred or assigned.

8.3. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given to any party when delivered by hand, when delivered by facsimile, or when mailed, first-class postage prepaid, (a) if to you, to you at the address or fax number set forth below your signature, or to such other address or fax number as you shall have furnished to the Company in writing, and (b) if to the Company, to i3 Verticals, LLC, Attn: Kathryn R. Agnew, 40 Burton Hills Boulevard, Suite 415, Nashville, Tennessee 37215, kagnew@i3verticals.com, or to such other address or addresses, or facsimile number or numbers, as the Company shall have furnished to you in writing, provided that any notice to the Company shall be effective only if and when received by the Company.

8.4. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TENNESSEE WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS (EXCEPT INsofar AS AFFECTED BY THE SECURITIES OR "BLUE SKY" LAWS OF THE STATE OR SIMILAR JURISDICTION IN WHICH THE OFFERING DESCRIBED HEREIN HAS BEEN MADE TO YOU).

8.5. Descriptive Heading. The descriptive headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision of this Agreement.

8.6. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement, and there are no representations, covenants or other agreements except as stated or referred to herein.

8.7. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

8.8. Joint and Several Obligations. If you consist of more than one Person, this Agreement shall consist of the joint and several obligation of all such Persons.

8.9. Fiduciary Duty Claims. You hereby waive, and release the Company from, any cause of action for breach of fiduciary duty on the part of the Company that you might claim as a result of your being unable to sell or otherwise transfer your Units, or as a result of any dilution of your interest as a member as a result of the sale of additional authorized Units after the closing of the offering of the Units in which you subscribe.

8.10. Consent to Representation. You hereby consent to the current and future representation by Waller Lansden Dortch & Davis, LLP ("WLDD"), of (a) the Company with respect to the offering of Units and (b) the Company and its affiliates with respect to other activities. You represent and warrant that you understand and acknowledge the different interests involved in WLDD's representation of the Company and its affiliates.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Subscription Agreement to be executed on June 30, 2016.

Claritas Capital Specialty Debt Fund, L.P.

By: /s/ R. Burton Harvey

Title: Managing Partner

The above named Investor hereby subscribes for 417,956.656346749 Units.

AGREED AND ACCEPTED TO ON JUNE 30, 2016, AS TO 417,956.656346749 UNITS.

i3 Verticals, LLC

By: /s/ Clay Whitson

Clay Whitson, Chief Financial Officer

[Signature Page to Subscription Agreement]

**EIGHTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of December 21, 2016, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-TOPS, LLC ("CP-TOPS"), a Delaware limited liability company; CP-USDC, LLC ("CP-USDC"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-APS, LLC ("CP-APS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), and i3-CSC, LLC, a Delaware limited liability company ("i3-CSC") (i3, CP-TOPS, CP-USDC, CP-PS, CP-APS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, and i3-Randall are the "Existing Borrowers," and the Existing Borrowers and i3-CSC are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HERBERT MEZZANINE PARTNERS III, L.P. ("Herbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, and as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016 (as amended, the "Loan Agreement"); and

B. i3-CSC has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-CSC.** i3-CSC hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 21, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-CSC as a party thereto. i3-CSC further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-CSC agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-CSC agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-CSC.

3. **i3-CSC Acquisition.** Borrowers represent, warrant, and agree that (i) the acquisition by i3-CSC of assets pursuant to that certain Asset Purchase Agreement (the "i3-CSC Acquisition Agreement") dated as of December 14, 2016, by and among i3-CSC, CSC Links LLC, and Chase J. Myers (and consented to by Angela Myers) qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) all contingent consideration payable under the i3-CSC Acquisition Agreement, including under Article III thereof, constitutes Contingent Consideration under the Loan Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 175,000 Class P non-voting units of i3 pursuant to the i3-CSC Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Consent to Subsidiary Consolidation.** Borrower has informed Lenders that CP- APS, CP-USDC and CP-TOPS desire to consolidate, rollup, and merge with or into i3 (the "Subsidiary Consolidation"), which if done without Collateral Agent's and Lenders' consent, would be a violation of Sections 7.8 and 7.11 of the Loan Agreement. At the request of and as an accommodation to Borrowers, Collateral Agent and Lenders hereby consent to the consummation of the Subsidiary Consolidation and agree that the consummation of the Subsidiary Consolidation shall not constitute a Default or Event of Default under the Loan Agreement, subject to satisfaction of the following conditions precedent: (i) the Subsidiary Consolidation shall occur on or before December 31, 2016, (ii) i3 assumes all liabilities of CP-APS, CP-USDC, and CP-TOPS as part of the Subsidiary Consolidation, and (iii) Collateral Agent and Lenders have reviewed and approved all documents relating to the Subsidiary Consolidation to their reasonable satisfaction.

7. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

8. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected

security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

9. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

10. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

11. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

12. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

13. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

14. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

15. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

16. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

I3 VERTICALS, LLC
CP-TOPS, LLC
CP-USDC, LLC
CP-PS, LLC
CP-APS, LLC
CP-DBS, LLC
I3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC
i3-RANDAL, LLC
i3-CSC, LLC

By: /s/ Clay Whitson
Clay Whitson, Chief Financial Officer and Secretary

[Signature to Eighth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Partner

[Signature to Eighth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signature to Eighth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-CSC to the Loan Agreement and certain other Loan Documents.]

[Signature to Eighth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

**NINTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of March 31, 2017, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), i3-CSC, LLC, a Delaware limited liability company ("i3-CSC"), and i3-TS, LLC, a Delaware limited liability company ("i3-TS") (i3, CP-PS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, i3-Randall, and i3-CSC are the "Existing Borrowers," and the Existing Borrowers and i3-TS are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HERBERT MEZZANINE PARTNERS III, L.P. ("Herbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, and as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016 (as amended, the "Loan Agreement"); and

B. i3-TS has recently been formed as a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. Definitions and Rules of Construction. As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-TS.** i3-TS hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 21, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-TS as a party thereto. i3-TS further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-TS agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-TS agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-TS.

3. **i3-TS Acquisition.** B01TOWers represent, warrant, and agree that (i) the acquisition by i3-TS of assets pursuant to that certain Asset Purchase Agreement (the "i3-TS Acquisition Agreement") dated as of March 31, 2017, by and among i3-TS, Techstorm, LLC, and Jonathan Frankel qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) there is no contingent consideration payable under the i3-TS Acquisition Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

4. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

5. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

6. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

7. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

8. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

9. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights

or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

10. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

11. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

12. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

13. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

14. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

i3 VERTICALS, LLC
CP-TOPS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC
i3-RANDALL, LLC
i3-CSC, LLC
i3-TS, LLC

By: /s/ Clay Whitson

Name: Clay Whitson

Title: Chief Financial Officer and Security

[Signatures to Ninth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Ninth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Ninth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-TS to the Loan Agreement and certain other Loan Documents.]

**TENTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Tenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of August 1, 2017, by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), i3-CSC, LLC, a Delaware limited liability company ("i3-CSC"), i3-TS, LLC, a Delaware limited liability company ("i3-TS"), and Fairway Payments, LLC, a Virginia limited liability company ("Fairway") (i3, CP-PS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, i3-Randall, i3-CSC, and i3-TS are the "Existing Borrowers," and the Existing Borrowers and Fairway are, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HERBERT MEZZANINE PARTNERS III, L.P. ("Herbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016, and as further amended by that Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of March 31, 2017 (as amended, the "Loan Agreement"); and

B. Upon the consummation of the Fairway Acquisition (as defined below), Fairway will become a wholly-owned subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. Definitions and Rules of Construction. As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. Joinder of Fairway. Fairway hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 21, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include Fairway as a party thereto. Fairway further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, Fairway agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, Fairway agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of Fairway.

3. Fairway Acquisition.

(a) Subject to the condition set forth below in this paragraph, the Collateral Agent and Lenders consent to the acquisition of all of the outstanding common stock of Fairway by i3 (the "Fairway Acquisition") pursuant to that certain Membership Interest Purchase and Contribution Agreement (the "Fairway Acquisition Agreement") dated as of the date hereof, by and among i3, FPI Holdings, Inc., and Craig Shapero. Borrowers represent, warrant, and agree that (i) the Fairway Acquisition qualifies as and constitutes a Permitted Acquisition (excluding the size of the purchase consideration thereof), and all of the conditions set forth in the definition of Permitted Acquisition (excluding the size of the purchase consideration thereof) have been or will be satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) there is no contingent consideration payable under the Fairway Acquisition Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

(b) i3 represents and warrants that the Fairway Acquisition has closed in accordance with the terms of the Fairway Acquisition Agreement. The consent of the Collateral Agent and Lenders is conditioned on i3's completion of an equity offering in an amount of at least \$13,000,000.00. The cash proceeds of such equity offering, in a minimum amount of \$11,500,000.00, shall be applied to reduce outstanding principal amounts under the "Revolving Loans" under the Senior Loan Agreement. Borrowers represent, warrant, and agree that \$500,000.00 of the proceeds of such equity offering result from the conversion of an existing note owed to Greg Daily in the amount of \$500,000.00 to equity in i3. An additional \$1,000,000.00 of cash proceeds of such equity offering shall be made available to Borrowers on or before August 31, 2017. Borrowers shall provide evidence satisfactory to the Collateral Agent on or before August 31, 2017 of the receipt of such \$1,000,000.00 of additional equity. Failure of Borrowers to provide such evidence on or before August 31, 2017, shall constitute an Event of Default.

(c) Borrowers represent and warrant that all documentation relating to the equity offering described in the preceding paragraph has been provided to the Collateral Agent. Borrowers also represent and warrant that the execution, delivery, and performance of the Fairway Acquisition Agreement does not violate or interfere with the rights of any Person or entity.

4. Amendments to Loan Documents.

(a) **Expert Auto Repair Add Back.** Borrowers, Collateral Agent, and Lenders agree that, for the Fiscal Quarter, if any, in which the Expert Auto Repair Amount (as defined below) is recognized by Borrowers in

their relevant financial statements, the Expert Auto Repair Amount shall be added back to all calculations of EBITDA. For purposes of this Section, the "Expert Auto Repair Amount" is defined as the amount, which shall not exceed \$1,000,000.00, which is utilized by Borrowers in connection with the settlement of that certain class action lawsuit styled "Expert Auto Repair, Inc. et al. vs. Merchant Processing Solutions, LLC, et al." The add back for calculating EBITD A described in this Section shall be applicable only for the quarter in which the Expert Auto Repair Amount is recognized in Borrowers' financial statements.

(b) **Landlord Waiver.** Collateral Agent and Lenders acknowledge that, as part of the Fairway Acquisition, Borrowers have assumed that certain Office Lease Agreement dated January 19, 2011 (the "Lease") between Fairway and Damar Properties, LLC for the premises located at 300 N. Lee Street, Suite 500, Alexandria, VA, 22314 (the "Lee Premises"), which Lease contains the grant of a security interest which is not a Permitted Encumbrance. Collateral Agent and Lenders hereby consent to such security interest and waives any Defaults or Events of Default that exist or may arise on account of the granting or existence of such security interest. Borrowers obtained a landlord waiver from the landlord of the Lee Premises, but such waiver is not in form acceptable to Collateral Agent and Lenders in all respects. Borrowers' failure to obtain an acceptable landlord waiver shall not constitute a Default or Event of Default under the Credit Agreement; provided, however, that until Borrowers obtain a landlord waiver acceptable to Collateral Agent and Lenders in all respects, in their reasonable discretion, Borrowers covenant and agree that the value of all assets of Borrowers located on the Lee Premises shall not at any time exceed \$50,000.00.

(c) **Sage Consent.** Borrowers covenant and agree to use commercially reasonable efforts to obtain a consent to Collateral Agent's security interest under the Loan Documents from Sage Payment Solutions, Inc. within sixty (60) days of the date hereof (or such longer period as may be agreed to by Collateral Agent in its reasonable discretion), reasonably satisfactory in form and substance to the Collateral Agent, with respect to that certain Amended and Restated Merchant Referral and Services Agreement, dated as of April 1, 2016, by and between Sage Payment Solutions, Inc. and Fairway.

(d) **Merger Consent.** Borrowers have informed Collateral Agent and Lenders that i3 intends to cause Fairway to consolidate, rollup, and merge with or into a newly-created wholly-owned subsidiary named "i3-Fairway, LLC" (or a similar name) formed under the laws of the State of Delaware within sixty (60) days (or such longer period as may be agreed to by Collateral Agent in its reasonable discretion) after the date hereof (the "Merger") which if done without the consent of the Lenders would be a violation of Sections 7.8 and 7.11 of the Loan Agreement. At the request of and as an accommodation to Borrowers, Collateral Agent and Lenders hereby consent to the consummation of the Merger and agree that the consummation of the Merger shall not constitute a Default or Event of Default under the Loan Agreement, subject to satisfaction of the following conditions: (i) the Merger occurs on or before sixty (60) days (or such longer period as may be agreed to by Collateral Agent in its reasonable discretion) from the date hereof, (ii) i3-Fairway, LLC assumes all liabilities of Fairway as part of the Merger, and (iii) i3-Fairway, LLC is joined as a Borrower to the Loan Documents concurrently with the consummation of the Merger.

(e) **Equity Pledge.** Borrowers have informed Collateral Agent and Lenders that, in connection with the Fairway Acquisition, i3 intends to issue additional equity interest in i3 that may be required to be pledged to Collateral Agent pursuant to Loan Agreement. Borrowers covenant and agree to deliver to Collateral Agent within ten (10) Business Days of the date hereof (or such longer period as may be agreed to by Collateral Agent in its reasonable discretion) an amendment to that LLC Interests Security Agreement dated as of August 14, 2013, executed by certain members of i3 in favor of Collateral Agent (the "Pledge Agreement"), such amendment to be in form acceptable to Collateral Agent, in its reasonable discretion, and executed by all Persons required under Section 6.4(c) of the Loan Agreement to pledge their equity interests in i3.

5. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 500,000 Common Units of i3 pursuant to the Fairway Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

6. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly

disclosed as of a particular date other than the Closing Date, and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

7. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

8. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

9. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

10. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

11. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

12. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

13. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

14. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

15. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

16. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

(Signatures to Tenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents)

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

(Signatures to Tenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents)

EXHIBIT A

[Schedules updated to reflect the joinder of Fairway to the Loan Agreement and certain other Loan Documents.]

**ELEVENTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Eleventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of October 30, 2017 (the "Effective Date"), by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), i3- CSC, LLC, a Delaware limited liability company ("i3-CSC"), i3-TS, LLC, a Delaware limited liability company ("i3-TS"), and Fairway Payments, LLC, a Virginia limited liability company ("Fairway") (i3, CP-PS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, i3-Randall, i3-CSC, i3-TS, and Fairway are, collectively, "Borrowers"); CLARIT AS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016, as further amended by that Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of March 31, 2017, and as further amended by that Tenth Amendment to First

Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 1, 2017 (as amended, the “Loan Agreement”); and

B. The parties hereto wish to amend the Loan Agreement and other Loan Documents;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Consent to Replacement Senior Loan.** Collateral Agent and Lenders consent to Borrowers’ entering into a replacement Senior Loan on the date hereof, as contemplated by that Intercreditor and Subordination Agreement, dated as of the date hereof, by and among Bank of America, as Administrative Agent for the replacement Senior Lenders, Collateral Agent, Lenders, and Borrowers.

3. **Amendments to Loan Agreement.** Effective as of the Effective Date, the Loan Agreement is hereby amended (a) to delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~) and (b) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text), in each case, as set forth in the marked copy of the Loan Agreement attached hereto as Exhibit A and made a part hereof for all purposes.

4. **Amendments to Security Agreement.** Effective as of the Effective Date, the Security Agreement, dated as of August 14, 2013, by and between the Borrowers and the Collateral Agent, as amended by that certain Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016 (as amended, the “Security Agreement”), is hereby amended (a) to delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~) and (b) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text), in each case, as set forth in the marked copy of the Security Agreement attached hereto as Exhibit B and made a part hereof for all purposes.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit C.

6. **Borrowers’ Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any

of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents, except that the address for notices to CCSD I and CCSD II shall be revised as follows:

c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND,
L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND,
L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Eleventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Eleventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

Exhibit A

Loan Agreement

See attached.

[Schedule/Exhibit to Eleventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

**FIRST AMENDED AND RESTATED
LOAN AGREEMENT**

Lenders:

CCSD II, L.P.
Claritas Capital Specialty Debt Fund, L.P.
Harbert Mezzanine Partners III, L.P.

Collateral Agent:

Claritas Capital Specialty Debt Fund, L.P.

Borrowers:

i3 VERTICALS, LLC
CP-PS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC
i3-RANDALL, LLC
i3-CSC, LLC
i3-TS, LLC
FAIRWAY PAYMENTS, LLC

Dated as of January 9, 2015

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS

	Page
ARTICLE 1. DEFINITIONS AND CONSTRUCTION	2
1.1 Primary Defined Terms	2
1.2 Additional Defined Terms	17 19
1.3 Computations; Accounting Principles	17 19
1.4 Standards for Consent	17 20
1.5 References to Documents	17 20
1.6 References to Laws	17 20
1.7 References to this Agreement	18 20
1.8 Other Interpretive Conventions	18 20
ARTICLE 2. TERM LOANS	18 20
2.1 Amount of Term Loans; Term Loan Notes	18 20
2.2 Use of Proceeds	18 21
2.3 Advances	18 21
2.4 Accrual of Interest	18 21
2.5 Interim Payments of Interest	18 21
2.6 Voluntary Prepayments of Principal	18 21
2.7 Mandatory Prepayment of Principal	19 21
2.8 Final Payment of All Amounts	19 21
2.9 Late Fee	19 21
2.10 Processing Fee	19 21
2.11 Pro Rata Direct Payments	19 21
2.12 Manner of Payment	19 22
2.13 Value of Warrants	19 22
ARTICLE 3. RELATIONSHIP OF BORROWERS	19 22
3.1 Joint and Several Liability	19 22
3.2 Funding Requests and Administration	20 22
3.3 Unconditional Obligation	20 22
3.4 Subrogation Rights	20 23
3.5 Savings Provision	20 23
3.6 Independent Existence	21 23
ARTICLE 4. CONDITIONS	21 23
4.1 Documentary Conditions to Initial Advance	21 23
4.2 Additional Conditions to Initial Advance	22 24
4.3 Documentary Conditions to Second Advance	22 25
4.4 Additional Conditions to Second Advance	23 25
ARTICLE 5. REPRESENTATIONS AND WARRANTIES	23 26
5.1 Capacity	23 26
5.2 Authorization	23 26

TABLE OF CONTENTS
(continued)

	Page	
5.3	Binding Obligations	23 26
5.4	No Conflicting Law or Agreement	23 26
5.5	No Consent Required	24 26
5.6	Pending Orders	24 26
5.7	Pending Proceedings	24 27
5.8	Past Proceedings	24 27
5.9	Financial Statements	24 27
5.10	Fiscal Year	24 27
5.11	Debt and Related Encumbrances	24 27
5.12	Off-Balance Sheet Transactions	24 27
5.13	Taxes; Governmental Charges	24 27
5.14	ERISA Plans	25 27
5.15	Title to Properties	25 27
5.16	Property in Borrowers' Possession	25 27
5.17	Locations of Property	25 27
5.18	Condition of Properties	25 28
5.19	Casualties and Extraordinary Events	25 28
5.20	Condemnation	25 28
5.21	Intellectual Property	25 28
5.22	Equity Interests	25 28
5.23	Hedge Agreements	25 28
5.24	Compliance With Laws	26 28
5.25	Environmental Compliance	26 28
5.26	ERISA	26 28
5.27	Investment Company Act	26 28
5.28	Personal Holding Company	26 29
5.29	Labor Matters	26 29
5.30	Regulation U	26 29
5.31	Affiliate Transactions	26 29
5.32	Capitalization	26 29
5.33	Permits	27 29
5.34	Employment Agreements	27 29
5.35	Management	27 30
5.36	Material Contracts	27 30
5.37	Insurance	27 30
5.38	Non-Compete Agreements	27 30
5.39	Delivery of Scheduled Agreements	28 30
5.40	Perfection Diligence Certificates	28 30
5.41	Fees/Commissions	28 30
5.42	Accuracy of Projections	28 30
5.43	Full Disclosure of Material Facts	28 31

TABLE OF CONTENTS
(continued)

		Page
5.44	Recitals	28 31
5.45	Small Business Concern	28 31
ARTICLE 6. AFFIRMATIVE COVENANTS		29 31
6.1	Maintenance of Existence	29 31
6.2	Payment of Obligations	29 31
6.3	Accounts and Records	29 31
6.4	Collateral for Obligations	29 31
6.5	Financial Statements and Reports	29 32
6.6	Additional Reporting Requirements	31 33
6.7	Taxes and Other Encumbrances	32 35
6.8	Compliance with Laws	32 35
6.9	Environmental Matters	32 35
6.10	Maintenance of Tangible Property	33 35
6.11	Maintenance of IP	33 36
6.12	Banking Relationships	33 36
6.13	Landlord Waivers 33 <u>Reserved.</u>	36
6.14	Insurance Requirements	33 36
6.15	Right of Inspection	34 37
6.16	Further Assurances	35 37
6.17	Indemnity; Expenses	35 37
6.18	Estoppel Letters	36 38
6.19	Board Rights	36 39
6.20	Additional Subsidiaries and Collateral	37 39
6.21	Accrual of Dividends and Distributions	37 40
6.22	Consents	37
ARTICLE 7.		38 40
7.1	Debts and Guaranties	38 40
7.2	Encumbrances	39 41
7.3	Distributions and Redemptions	39 41
7.4	Sales and Leasebacks	40 42
7.5	[Intentionally Omitted]	40 42
7.6	Debt Investments	40 42
7.7	Issuance of Equity	40 43
7.8	Mergers and Consolidations	40 43
7.9	Asset Acquisitions 40 <u>Reserved.</u>	44
7.10	Loans to Others	40
7.11 7.10	Disposition of Assets	40 44
7.12 7.11	Consignments	40 44
7.13 7.12	Location of Property	40 44
7.14	Ownership of Equity Interests	41

TABLE OF CONTENTS
(continued)

	Page	
7.15	Partnerships	41
7.167.13	Place of Business	41 44
7.177.14	Adverse Action With Respect to Plans	41 44
7.15	Partnerships	45
7.187.16	Hedge Agreements	41 45
7.197.17	Restrictive Agreements	41 45
7.207.18	Transactions With Affiliates	41 45
7.217.19	Payments to Subordinated Creditors	41 45
7.227.20	Constituent Document Amendments	41 45
7.237.21	Name	41 46
7.247.22	Fiscal Year	41 46
7.257.23	Accounting Methods	42 46
7.267.24	Change of Management	42 46
7.277.25	[Intentionally Omitted]	42 46
7.28	Action Outside Ordinary Course	42
7.26	[Intentionally Omitted.]	46
7.297.27	Activities Prohibited by SBA	42 46
7.307.28	No Amendment or Modification of Subordination Provisions	42 46
7.317.29	Conditions to Payment of Contingent Consideration and Seller Subordinated Debt; Liquidity Requirement	42 46
7.327.30	No Redemption	42 46
ARTICLE 8. FINANCIAL COVENANTS		42 47
8.1	Minimum Fixed Charge Coverage Ratio	42 47
8.2	Maximum Total Leverage Ratio	42 47
8.3	Financial Definitions	43 47
ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES		44 49
9.1	Events of Default	44 49
9.2	Remedies	46 50
ARTICLE 10. COLLATERAL AGENT AND OTHER INTER-LENDER MATTERS		47 51
10.1	Appointment and Authority	47 51
10.2	Rights as a Lender	47 52
10.3	Exculpatory Provisions	47 52
10.4	Reliance by Collateral Agent	48 53
10.5	Delegation of Duties	49 53
10.6	Resignation of Collateral Agent	49 53
10.7	Replacement of Collateral Agent in Certain Circumstances	49 54
10.8	Non-Reliance on Collateral Agent and Other Lenders	49 54
10.9	Collateral Agent May File Proofs of Claim	50 54
10.10	Exercise of Remedies	50 55

TABLE OF CONTENTS
(continued)

	Page	
10.11	Administrative Collateral Matters	54 55
10.12	No Duty to Monitor Collateral	54 56
10.13	Sharing Among Lenders	54 56
ARTICLE 11. GENERAL PROVISIONS		52 57
11.1	Usury Savings Provision	52 57
11.2	Publicity	52 57
11.3	No Reliance on Lender's Analysis	52 57
11.4	No Marshaling of Assets	53 57
11.5	Business Days	53 57
11.6	Limitations of Damages	53 57
11.7	Notices	53 58
11.8	Not Fiduciary; No Third Party Beneficiaries	54 59
11.9	Incorporation of Schedules	55 59
11.10	Indulgence Not Waiver	55 59
11.11	Assignment	55 59
11.12	Entire Agreement	55 60
11.13	Construction	55 60
11.14	Requirements of Writing	55 60
11.15	Amendments, Waivers, and Consents	56 60
11.16	Time of Essence	56 61
11.17	Gender and Number	56 61
11.18	Captions Not Controlling	56 61
11.19	Counterparts	56 61
11.20	Compliance with Anti-Terrorism Laws	57 61
11.21	Applicable Law	57 61
11.22	Not Fiduciary; No Third Party Beneficiaries	57 62
11.23	Waiver of Jury Trial	57 62
11.24	Amended and Restated Agreement	57 62
11.25	Joinder of i3 Management and i3-RS	58 62
11.26	Consent to Jurisdiction; Exclusive Venue	58 63

Exhibits and Schedules

Exhibit 4.1	Closing Agenda Schedule
Schedule 5.5	Required Consents Schedule
Schedule 5.6	Pending Orders Schedule
Schedule 5.7	Pending Proceedings
Schedule 5.8	Past Proceedings and Orders
Schedule 5.9	Exceptions to Financial Statements
Schedule 5.11	Debt
Schedule 5.12	Off-Balance-Sheet Transactions
Schedule 5.13	Unpaid Taxes
Schedule 5.14	ERISA Plans
Schedule 5.17	Locations of Property
Schedule 5.18	Condition of Properties
Schedule 5.19	Casualties and Extraordinary Events
Schedule 5.20	Condemnation
Schedule 5.21	Intellectual Property
Schedule 5.22	Equity Interests
Schedule 5.23	Hedge Agreements
Schedule 5.24	Violations of Law
Schedule 5.25	Environmental Matters
Schedule 5.29	Labor Matters Schedule
Schedule 5.31	Affiliate Transactions
Schedule 5.32	Capitalization
Schedule 5.33	Permits and Licenses
Schedule 5.34	Employment Agreements
Schedule 5.35	Management
Schedule 5.36	Material Contracts
Schedule 5.37	Insurance Claims
Schedule 5.38	Non-Compete Agreements
Schedule 5.41	Fees and Commissions
Schedule 7.02	Existing Investments

THE INDEBTEDNESS EVIDENCED BY THIS AGREEMENT IS SUBORDINATED IN RIGHT OF PAYMENT TO CERTAIN INDEBTEDNESS TO VARIOUS LENDERS, FOR WHICH ~~FIRST BANK~~BANK OF AMERICA, N.A. IS ACTING AS ~~ADMINISTRATIVE AGENT~~ADMINISTRATIVE AGENT, AND THE LIENS ON AND SECURITY INTERESTS IN COLLATERAL SECURING THIS AGREEMENT ARE SUBORDINATED IN RIGHTS OF PRIORITY TO LIENS ON AND SECURITY INTERESTS IN COLLATERAL SECURING SUCH INDEBTEDNESS, IN EACH CASE PURSUANT TO, AND TO THE EXTENT PROVIDED IN, THE INTERCREDITOR AND SUBORDINATION AGREEMENT (~~"INTERCREDITOR AGREEMENT"~~) DATED AS OF ~~APRIL 29~~OCTOBER 30, 2016~~2017~~, EXECUTED BY AND BETWEEN ~~FIRST BANK, AS ADMINISTRATIVE AGENT~~BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT FOR THE SENIOR LENDERS AND CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P, CCSD II, L.P., AND HARBERT MEZZANINE PARTNERS III, L.P., AS LENDERS AND CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. AS COLLATERAL AGENT, AS SUCH INTERCREDITOR AGREEMENT MAY BE AMENDED, MODIFIED OR SUPPLEMENTED FROM TIME TO TIME. PAYMENTS MAY BE MADE UNDER THIS AGREEMENT ONLY TO THE EXTENT EXPRESSLY PERMITTED UNDER SUCH INTERCREDITOR AGREEMENT. IN CASE OF A CONFLICT BETWEEN THE TERMS OF THIS AGREEMENT AND THE INTERCREDITOR AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN. THIS LEGEND SHALL BE PLACED ON ANY NOTE OR OTHER INSTRUMENT OR AGREEMENT GIVEN AT ANY TIME IN SUBSTITUTION FOR OR REPLACEMENT HEREOF.

FIRST AMENDED AND RESTATED LOAN AGREEMENT

This First Amended and Restated Loan Agreement (this "**Agreement**") is entered into as of January 9, 2015, by i3 VERTICALS, LLC ("**i3 VERTICALS**"), a Delaware limited liability company formerly known as Charge Payment, LLC, CP-PS, LLC ("**CP-PS**"), a Delaware limited liability company; CP-DBS, LLC ("**CP-DBS**"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("**i3 Management**"), a Delaware corporation, i3-RS, LLC ("**i3-RS**"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("**i3-EZ**"), i3-LL, LLC, a Delaware limited liability company ("**i3-LL**"), i3-PBS, LLC, a Delaware limited liability company ("**i3-PBS**"), i3-INFIN, LLC, a Delaware limited liability company ("**i3-Infin**"), i3-BP, LLC, a Delaware limited liability company ("**i3-BP**"), i3-Axia, LLC, a Delaware limited liability company ("**i3-Axia**"), i3-Randall, LLC, a Delaware limited liability company ("**i3-Randall**"), i3-CSC, LLC, a Delaware limited liability company ("**i3-CSC**"), i3-TS, LLC, a Delaware limited liability company ("**i3-TS**"), and Fairway Payments, LLC, a Virginia limited liability company ("**Fairway**") (each a "**Borrower**" and collectively "**Borrowers**"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("**CCSD I**"), a Delaware limited partnership; CCSD II, L.P. ("**CCSD II**"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("**Harbert**"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "**Lenders**"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in this Agreement ("**Collateral Agent**").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers are parties to that Loan Agreement dated as of August 14, 2013, as amended by that First Amendment to Loan Agreement dated as of December 31, 2013, that Second Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated as of February 14, 2014, that Third Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 9, 2014, and that Fourth Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 23, 2014 (as amended, the **“Original Loan Agreement”**), pursuant to which, among other things, (i) Lenders extended to Existing Borrowers term loans in the aggregate original principal amount of \$10,500,000, and (ii) Collateral Agent has agreed to serve as “Collateral Agent” for Lenders as provided therein;

B. i3-Management and i3-RS have recently been formed as wholly-owned subsidiaries of i3 Verticals and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders, Collateral Agent, and Borrowers desire to amend and restate the Original Loan Agreement in full on the terms and conditions set forth in this Agreement.

AGREEMENT:

NOW, THEREFORE, as an inducement to cause Lenders to continue to extend the credit described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lenders, Collateral Agent, and Borrowers agree as follows:

ARTICLE 1. DEFINITIONS AND CONSTRUCTION

1.1 Primary Defined Terms. As used below in this Agreement, the following capitalized terms have the meanings set forth in this Section unless the context expressly requires otherwise:

“Accountants” means Lattimore, Black, Morgan & Cain, PC or another regional or national accounting firm approved by Lenders.

“Accounting Change” means a change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

“Acquired Indebtedness” [has the meaning set forth in Section 7.1\(xii\).](#)

“Acquisition” means (a) any Investment by any Borrower and any other Person organized in the United States (with substantially all of the assets of such Person and its Subsidiaries located in the United States), pursuant to which such Person shall become a Subsidiary of any Borrower or any of its Subsidiaries or shall be merged with any Borrower or

any of its Subsidiaries or (b) any acquisition by any Borrower or any Subsidiaries thereof of the assets of any Person (other than a Subsidiary of any Borrower) that constitute all or substantially all of the assets of such Person or an entire portfolio (or a portion thereof, ~~including, without limitation, Residual Buyouts in excess of \$500,000~~), division, or business unit of such Person, whether through purchase, merger or other business combination or transaction (and substantially all of such assets, division or business unit are located in the United States). With respect to a determination of the amount of an Acquisition, such amount shall include all consideration (including any deferred payments) set forth in the applicable agreements governing such Acquisition as well as the assumption of any Debt in connection therewith.

“Affiliate” means:

- (i) with respect to a specified Person,
 - (A) any other Person who directly or indirectly Controls, is directly or indirectly Controlled by, or is directly or indirectly under common Control with, the specified Person;
 - (B) any other Person who owns any material interest in, is owned as to any material interest by, or is under common ownership as to any material interest with, the specified Person (ownership of any Equity Interest in a Borrower, and of five percent (5%) or more of the voting Equity Interests of any other Person, shall be deemed “material” for this purpose);
 - (C) any other Person who serves as a director, manager, officer, partner, executor, trustee, or similar senior management capacity with the specified Person;
 - (D) any other Person with respect to which the specified Person serves as a director, manager, officer, partner, executor, trustee, or similar senior management capacity;
 - (E) if a Person who is an Affiliate under any of the foregoing requirements is a natural Person, each member of such individual’s Immediate Family; and
 - (F) each Affiliate of each other Person deemed to be an Affiliate of the specified Person under any of the foregoing provisions;
- (ii) for purposes of this definition, the “Immediate Family” of an individual includes (A) the individual’s spouse, (B) any other individual who resides with such individual, and (C) any other individual who is related to such individual or related to a Person described in the foregoing (A) or (B), in each case within the first degree; and

(iii) notwithstanding the foregoing, Lenders shall not in any event be deemed Affiliates of Borrowers.

“Agreement” means this Loan Agreement, as amended, including as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016, as further amended by that Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of March 31, 2017, ~~and~~ as further amended by that Tenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 1, 2017, and as further amended by that Eleventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of the Eleventh Amendment Closing Date.

“Anticipated Additional Debt” means ~~Debt issued pursuant to the Master Note Purchase Agreement, which Debt also meets the following criteria:~~

- ~~(i) if *pro forma* EBITDA immediately before issuing such additional Debt, giving effect for any completed acquisitions as if the Company had the benefit of a full year of operations, is \$15,000,000 or greater, then unsecured Debt issued by i3 Verticals after the Closing Date (i) in compliance with all securities Laws and other Laws, (ii) with no payments of principal due prior to the Term Loan Maturity Date, (iii) providing for interest at a rate not exceeding that accruing on the Term Loans plus 3%, and (iv) for which the incurrence of such Debt will not, giving it *pro forma* effect, cause Borrowers to breach any financial covenant or otherwise cause a Default or Event of Default, as demonstrated by a certificate of the Chief Financial Officer of i3 Verticals delivered to Lenders at least five (5) days prior to the issuance of such Debt; and~~
- ~~(ii) if *pro forma* EBITDA immediately before issuing such additional debt, giving effect for any completed acquisitions as if the Company had the benefit of a full year of operations, is less than \$15,000,000, then unsecured Debt issued by i3 Verticals after the Closing Date (i) in compliance with all securities Laws and other Laws, (ii) with no payments of principal due prior to the Term Loan Maturity Date, (iii) providing for interest at a rate approved by the Required Lenders, in~~

~~their reasonable discretion (but in no event at a rate in excess of that accruing on the Term Loans), and (iv) otherwise on terms and conditions approved by the Required Lenders, in their reasonable discretion (approvals under subsections (iii) and (v) shall not be unreasonably withheld, delayed, or conditioned).~~

“**APS Seller Note**” means that Subordinated Promissory Note dated as of May 9, 2014, made by CP-APS, LLC, a Delaware limited liability company subsequently merged into i3 Verticals, payable to the order of Advanced Payment Solutions, LLC, a Tennessee limited liability company, in the principal amount of \$1,000,000, which (i) may not be amended or modified (other than to extend the due date for payments thereunder) without the consent of Lenders, and (ii) shall be treated as Subordinated Seller Debt hereunder.

“**Beneficial Owner**” has the meaning provided in Rule 13d-3 under the Exchange Act.

“**Borrowers**” means the Borrowers named in the preamble of this Agreement and their respective successors and assigns (to the extent permitted under this Agreement).

“**Borrowers’ Line of Business**” means the payments processing business and other activities and services directly or customarily incidental thereto.

“**Business Day**” means any day other than a Saturday, Sunday, or a weekday on which state or national banks located in Nashville, Tennessee, are authorized or required by law to be closed for business (any reference to a number of days is a reference to calendar days unless Business Days is expressly used).

“**Capital Lease**” means a lease that would be characterized under GAAP as a financed purchase rather than as an operating lease.

~~“**Cash Equivalents**” means (i) certificates of time deposits of First Bank and repurchase agreements backed by United States government securities of First Bank, or (ii) any other products similar to those described in subparagraph (i) offered by First Bank from time to time.~~

“**Cash Equivalents**” means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any Senior Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of \$500,000,000 or (iii) any bank whose short term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody’s is at least P-1 or the equivalent thereof (any such bank being an “**Approved Bank**”), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody’s and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Senior Lenders) or recognized securities dealer having capital

and surplus in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Encumbrances) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least \$500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

“CCSD I/CCSD II” means CCSD I and CCSD II, taken collectively.

“Change of Control” means ~~the occurrence, after the date of this Agreement, of (a) any Person or two or more Persons acting in concert acquiring beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act) at any time upon or after the consummation of a Qualifying IPO of i3 Verticals or HoldCo after an Up-C Restructuring, (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Greg Daily becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all Equity Interests that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of securities of any Borrower (or other securities convertible into such securities) the voting stock of i3 Verticals or HoldCo after an Up-C Restructuring representing 25% or more than fifty percent (50%) of the combined voting power of all securities thereof entitled to vote in the election of directors (disregarding for this determination any rights of designation conditioned upon any Person’s holdings of a percentage of any Units issued by i3 Verticals), or (ii) any event by which a majority of the members of the Board of Directors of i3 Verticals are no longer freely elected or freely designated by Persons who were members of i3 Verticals or holders of warrants in i3 Verticals as of the Closing Date, voting stock of i3 Verticals or HoldCo after an Up-C Restructuring on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of i3 Verticals or HoldCo after an Up-C Restructuring cease to be composed of individuals (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (z) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.~~

“Claims” means all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, and expenses of any kind, including the reasonable fees and expenses of counsel incurred in addressing any of the foregoing.

“Closing” means the satisfaction or waiver of all conditions to, and the funding of, the Term Loans.

“Closing Date” means August 14, 2013.

“Collateral” means all Property now or hereafter securing the Obligations.

“Collateral Agent” means CCSD I, in its capacity as Collateral Agent for Lenders, its lawful successors, and any successor Collateral Agent appointed as provided in this Agreement.

“Constituent Documents” means the certificate of incorporation, charter, certificate of formation, articles of formation, bylaws, operating agreement, voting agreements, and other documents and agreements by which a legal entity is formed, maintained, and governed.

“Contingent Consideration” means any earnout payment, contingent purchase price payment, or any similar contingent payment or obligation (including any such contingent obligations evidenced by a promissory note) due or owing under the terms of any purchase or acquisition agreement executed by any Borrower in connection with any Acquisition or Investment, including, without limitation, (i) that Purchase Agreement dated as of May 9, 2014, between Advanced Payment Solutions, LLC, Jennifer Brinkman, Debbie Bowles, and CP-APS, LLC, a Delaware limited liability company subsequently merged into i3 Verticals, (ii) that Purchase Agreement dated as of May 23, 2014, between Data Business Systems of Colorado, Inc., Hume Miller, and CP-DBS, (iii) that Purchase Agreement effective as of February 1, 2014, by and between Merchant Processing Solutions, LLC d/b/a Payment Systems and CP-PS, and (iv) that Asset Purchase Agreement dated as of December 31, 2014, between RentShare, Inc., certain “Owners” thereof, and i3-RS.

“Contract” means any agreement to which a Borrower is, at a relevant time, a party or by which a Borrower’s properties are bound, including any management agreement, financing agreement, vendor agreement, customer agreement, indenture, mortgage, deed of trust, lease, sale agreement, or consulting agreement.

“Control” or **“Controlled”** means that a Person has the power to direct or cause the direction of the management and policies of another Person, whether this power exists as a matter of right, through economic compulsion, or otherwise.

“Control Agreement” means a control agreement acceptable to Collateral Agent among one or more Borrowers, a depository bank or securities intermediary, and Collateral Agent, establishing Collateral Agent’s right to control one or more accounts pursuant to Article 8 or Article 9 of the UCC.

~~**“Daily Loan”** means the loan evidenced by that Third Amended and Restated 10% Subordinated Convertible Promissory Note dated as of the Restatement Closing Date, made by i3 Verticals payable to the order of Gregory S. Daily and Collie F. Daily in the principal amount of \$1,000,000.~~

“Dollar” and **“\$”** mean lawful money of the United States.

“DBS Seller Note” means that Subordinated Promissory Note dated as of May 23, 2014, made by CP-DBS payable to the order of Data Business Systems of Colorado, Inc., a Colorado corporation, in the principal amount of \$500,000, which (i) may not be amended or modified (other than to extend the due date for payments thereunder) without the consent of Lenders, and (ii) shall be treated as Subordinated Seller Debt hereunder.:-

“Debt” means a Person’s obligations for borrowed money, including (i) the Term Loans, (ii) the Senior Loan, (iii) any other obligations evidenced by bonds, debentures, notes, or other similar instruments, (iv) any obligations in respect of Capital Leases, (v) any outstanding face amounts of letters of credit and acceptance facilities, (vi) any payment obligations secured by any Encumbrance on any asset of a Person, whether or not the Person is also personally liable therefor, (vii) any payment obligations under Hedge Agreements, and (viii) although trade obligations incurred in the ordinary course of business are not Debt, any trade obligation which remains outstanding (even with the vendor’s permission) 180 days after its original due date shall constitute Debt.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that, but for the giving of any required notice and/or the passing of time, would be an Event of Default hereunder.

“Default Rate” means an interest rate of five percent (5.0%) per annum over the otherwise applicable rate of interest, computed on the basis of a 360-day year and actual days elapsed.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property by any Borrower or any Subsidiary, including any sale and leaseback transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding any Recovery Event.

“Eleventh Amendment Closing Date” means October 30, 2017.

“Encumbrance” means any (i) lien securing an obligation, including the lien or security interest arising from a deed of trust, mortgage, security agreement, assignment as collateral, conditional sale, or Capital Lease and (ii) other interests and restrictions, including those arising under operating leases, options, voting agreements, use restrictions, zoning restrictions, restrictions arising under licenses, reservations, exceptions, encroachments, easements, rights-of- way, and covenants.

“Environmental Laws” means the Environmental Protection Act, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, and any other federal, state, or municipal law, rule, or regulation relating to air emissions, water discharge, noise

emissions, solid or liquid waste disposal, hazardous or toxic waste or materials, or other environmental or health matters.

“Equipment” means “equipment” as defined in the UCC.

“Equity Interest” means any ownership interest in or right to Control any share, stock, membership interest, partnership interest, or other equity interest (regardless of how designated) of or in a corporation, limited liability company, partnership, or other Person, whether voting or nonvoting, and all options, warrants, and other rights to acquire any such an interest or right of control.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any Person, who for purposes of Title IV of ERISA, is a member of a Borrower’s controlled group, or under common control with a Borrower, within the meaning of Section 414 of the IRC.

“ERISA Event” means (i) with respect to a Plan, the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC, (ii) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA), (iii) with respect to a Plan, the cessation of operations at a facility in the circumstances described in Section 4068(f) of ERISA, (iv) the withdrawal by a Borrower or any ERISA Affiliate from a Multiple Employer Plan (as defined in ERISA) during a plan year for which it was a substantial employer, as defined in 4001(a)(2) of ERISA, (v) the failure by a Borrower or any ERISA Affiliate to make a material payment to a Plan required under Section 302(f)(1) of ERISA, (vi) the adoption of an amendment to a Plan requiring the provision of initial or additional security to such Plan, pursuant to Section 307 of ERISA, or (vii) the institution by the PBGC of proceedings to terminate a Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Plan.

“Event of Default” means the occurrence of any of the events specified in [Section 9.1](#) as to which any requirement for notice or lapse of time has been satisfied.

“Exchange Act” means the Securities Exchange Act of 1934.

“Existing Subordinated Debt” means [Debt of the Borrowers and their Subsidiaries issued pursuant to the Master Note Purchase Agreement prior to the Eleventh Amendment Closing Date.](#)

“Expert Auto Repair Amount” means [the amount which is utilized by the Borrowers in connection with the settlement of that certain class action lawsuit styled “Expert Auto Repair, Inc. et al vs. Merchant Processing Solutions, LLC, et al”; provided that the Expert Auto Repair Amount shall not exceed \\$1,000,000.](#)

“Financial Statements” means the Financial Statements of Borrowers delivered to Lenders pursuant to Section 6.5 hereof.

“Fiscal Quarter” means any of the quarterly accounting periods of Borrowers, ending on each March 31, June 30, September 30, and December 31.

“Fiscal Year” means any of the annual accounting periods of Borrowers, ending on September 30 (Lender hereby acknowledges and consents to the change of Borrowers’ Fiscal Year end from December 31, effective as of September 30, 2014).

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time applied on a consistent basis, except that for purposes of Article 8, GAAP shall be determined on the basis of such principles in effect on the date hereof. In the event that any Accounting Change shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrowers and the Lenders agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrowers’ financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrowers and the Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

“Governing Body” means the board of directors, manager(s) or board of manager(s), trustee(s), or other board, group, or other Person with the power to manage the affairs of a legal entity.

“Governmental Authority” means any arbitration authority and any governmental or quasi-governmental entity or court, including any department, commission, board, bureau, agency, administration, service, or other instrumentality of any foreign or domestic government.

“Guaranty” means any agreement of surety, guaranty, or other form of assurance as to an obligation of another Person, whether given directly or indirectly, including any obligation (i) to purchase any obligation or Property securing an obligation, (ii) to maintain working capital, net worth, or solvency of another, (iii) to purchase Property, securities or services primarily for the purpose of assuring the seller’s payment of an obligation, or (iv) to otherwise assure or hold harmless the owner of an obligation against loss in respect thereof.

“Hazardous Substances” means those substances included from time to time within the definition of hazardous substances, hazardous materials, toxic substances, or solid waste under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, and such other substances that are or become regulated under any applicable local, state, or federal law or regulation addressing environmental hazards.

“Hedge Agreement” means (i) any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement; (ii) any currency swap agreement, forward currency purchase agreement, or similar agreement designed to protect against fluctuations in currency exchange rates; and (iii) any forward commodity purchase agreement or similar agreement or arrangement designed to protect against fluctuations in raw materials or other commodity prices.

“HoldCo” has the meaning set forth in the definition of Up-C Restructuring.

“Immaterial Subsidiary” means any Subsidiary, at any date of determination, whose contribution to EBITDA for the recently completed four Fiscal Quarters is less than 2.5% of such EBITDA; provided that if, at any time and from time to time after the Eleventh Amendment Closing Date, Immaterial Subsidiaries contribute more than 5.0% of EBITDA for the recently completed four Fiscal Quarters, then the Borrowers shall, not later than 10 days after the date by which financial statements for such quarter are required to be delivered pursuant to this Agreement (or such longer period as the Collateral Agent may agree in its reasonable discretion), (i) designate in writing to the Collateral Agent one or more of such Subsidiaries as no longer being an “Immaterial Subsidiary” to the extent required such that Immaterial Subsidiaries, in the aggregate do not contribute more than 5.0% of EBITDA for the recently completed four Fiscal Quarters and (ii) comply with the provisions of Section 6.20 applicable to such Subsidiary.

“Indemnitees” is defined in Section 6.17.

“Insolvency Proceeding” means any case or proceeding commenced by or against any Person as a debtor under any Debtor Relief Law.

“Inventory” means “inventory” as defined in the UCC.

“Investment” means any Borrower’s acquisition of any evidence of indebtedness or other securities (other than the acquisition of Cash Equivalents in the ordinary course of business) of, make any loan or advances to, guarantee any obligations of, or make any investment (other than the acquisition of Cash Equivalents in the ordinary course of business) in, any other Person or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person.

“IP” means patents, trademarks, copyrights, trade secrets, trade names, service names, service marks, Internet domain names, and any other intellectual property recognized under any Law, and all applications and licenses therefor.

“IPO” means an offering of equity securities for which a registration statement is filed under the Securities Act.

“IRC” means the Internal Revenue Code of 1986.

“Knowledge” means the actual knowledge or belief of any officer or member of the Governing Body of a Borrower.

“**Law**” means applicable constitutional provisions, statutes, codes, acts, ordinances, rules, regulations, orders, common law, principles of equity, and other legal requirements issued by or applied by Governmental Authorities.

“**Lenders**” means the Lenders named in the preamble hereof, their successors and permitted assigns.

“**Liquidity**” means cash, Cash Equivalents and availability under the [Aggregate Revolving Commitment Commitments](#) (as defined in the Senior Loan Agreement).

“**Loan Documents**” means, collectively, this Agreement, the Term Loan Notes, the Warrants, and each other writing that evidences, secures, or otherwise relates to the Term Loans, whenever delivered.

“**Master Note Purchase Agreement**” means that [certain](#) Master Note Purchase Agreement² among i3 Verticals and the several purchasers from time to time parties thereto, dated effective February 14, 2014 (as may be amended from time to time in accordance with its terms).

“**Material Adverse Change**” means any material and adverse change in the business, Properties, financial condition or operations of a Person or its subsidiaries (taken as a whole) or in the validity of any of the Loan Documents. To avoid doubt, (i) the use of a Material Adverse Change to accelerate the maturity of the Obligations is subject to TCA Section 47-1-309, which allows such use by a lender “only if that party in good faith believes that the prospect of payment or performance is impaired,” and (ii) a termination of a Material Contract does not in itself mean that a Material Adverse Change has occurred.

“**Material Adverse Effect**” means any event or condition which, singly or in the aggregate with other events or conditions, would cause a Material Adverse Change.

“**Material Contracts**” is defined in [Section 5.36](#).

“**Maximum Lawful Amount**” is defined in [Section 11.1](#).

“**Moody’s**” means [Moody’s Investors Service, Inc. and any successor thereto](#).

“**Obligations**” means all present and future obligations of Borrowers under the Loan Documents (i) to pay principal, interest, and expenses arising under the Loan Documents (including all interest and expenses that accrue after the commencement of any Insolvency Proceeding, whether or not allowed in such case or proceeding), (ii) to perform all indemnities and other monetary and non-monetary obligations arising under the Loan Documents, whether absolute or contingent, and (iii) to pay and perform all other debts and other obligations of a Borrower to Lenders and to Collateral Agent, whether arising by contract, tort, guaranty, or otherwise, whether or not the advances or events creating such debts or other obligations are presently foreseen.

“**Order**” means any money judgment, injunction, order, decree, or other such action of any Governmental Authority, whether or not final.

“**PBGC**” means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA.

“**Perfection Diligence Certificates**” means the Perfection Diligence Certificates delivered to Collateral Agent in connection with this Agreement.

“**Permits**” means all permits, licenses, authorizations, and other formal approvals issued by Governmental Authorities.

“**Permitted Acquisition**” means any Acquisition by any Borrower, provided that (i) no Event of Default shall have occurred and be continuing or would result from such Acquisition, (ii) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in a line of business that the Borrowers and their Subsidiaries are permitted to engage in hereunder (or any reasonable extensions or expansions thereof), (iii) the property acquired (or the property of the Person acquired) shall be located in Canada or the United States, (iv) in the case of an Acquisition of the Equity Interests of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (v) the Borrowers shall have delivered to the Collateral Agent a Pro Forma Compliance Certificate demonstrating that the Borrowers would be in compliance with the financial covenants set forth in Article 8 recomputed as of the end of the period of the four Fiscal Quarters most recently ended for which the Borrowers have delivered financial statements pursuant to Section 6.5(a) or (c) after giving effect to such Acquisition on a Pro Forma Basis, (vi) the representations and warranties made by the Borrowers in each Loan Document shall be true and correct in all material respects at and as if made as of the date of such Acquisition (after giving effect thereto), (vii) if such transaction involves the purchase of an interest in a partnership between any Borrower as a general partner and entities unaffiliated with the Borrower as the other partners, such transaction shall be effected by having such equity interest acquired by a corporate holding company directly or indirectly wholly owned by such Borrower newly formed for the sole purpose of effecting such transaction, (viii) if the aggregate cash and non-cash consideration (including assumed Debt, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) exceeds \$15,000,000, the Borrowers shall have delivered third party due diligence acceptable to the Collateral Agent with respect to the target, and (ix) the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrowers of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) for any such Acquisition shall not exceed \$25,000,000.

~~“**Permitted Acquisition**” means any Acquisition by the Borrower that occurs subject to the satisfaction of the following conditions:~~

- ~~(i) before and after giving effect to such Acquisition, no Default or Event of Default has occurred and is continuing or would result therefrom, and all representations and warranties of each Borrower set forth in the Loan Documents shall be and remain true and correct in all material respects;~~

- ~~(ii) before and after giving effect to such Acquisition, on a Pro Forma Basis, Borrowers are in compliance with each of the financial covenants set forth in Article 8, measuring and calculating the financial covenants set forth in Article 8 as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 6.5(a) or (c) as if such Acquisition had occurred, and any Debt incurred in connection therewith was incurred, on the first (1st) day of the relevant period for testing compliance, and Borrowers shall have delivered to Lenders a pro forma compliance certificate signed by a Responsible Officer certifying to the foregoing at least fifteen (15) days (or such shorter period as Lenders may permit) prior to the date of the consummation of such Acquisition;~~
- ~~(iii) at least ten (10) days (or such shorter period as Lenders may permit) prior to the date of the consummation of such Acquisition, Borrowers shall have delivered to Lenders notice of such Acquisition, together with historical financial information and analysis with respect to the Person whose stock or assets are being acquired and copies of the acquisition agreement and related documents (including, to the extent required by the underlying acquisition agreement, financial information and analysis, environmental assessments and reports, opinions, certificates and lien searches) and information reasonably requested by any Lenders;~~
- ~~(iv) such Acquisition is consensual and approved by the board of directors (or the equivalent thereof) of the Person whose stock or assets are being acquired;~~
- ~~(v) the Person or assets being acquired is in the same type of business conducted by Borrowers on the date hereof or any business reasonably related thereto;~~
- ~~(vi) such Acquisition is consummated in compliance with all Laws, and all consents and approvals from any Governmental Authority or other Person required in connection with such Acquisition and the pledge of assets to the Collateral Agent with respect to such Acquisition have been obtained;~~
- ~~(vii) before and after giving effect to such Acquisition and any Debt incurred in connection therewith, each Borrower is Solvent;~~
- ~~(viii) after giving effect to such Acquisition and any Debt incurred in connection therewith, Liquidity (that is either unencumbered or in accounts controlled by Collateral Agent) of Borrowers is at least \$2,500,000;~~
- ~~(ix) the Acquisition is for a total purchase price (including management's best estimate at closing of the Acquisition of Contingent Consideration that will ultimately be paid in connection with such Acquisition) below \$15,000,000;~~
- ~~(x) Borrowers shall execute and deliver to execute and deliver, at the closing of the Acquisition (or such longer period as Lenders may permit) all collateral;~~

documents and other related documents required under Section 6.20 and within the timeframe described in Section 6.20;

- (xi) Borrowers have delivered to the Lenders a certificate executed by a Responsible Officer certifying that each of the conditions set forth above has been satisfied; and
- (xii) any Acquisition (including management's best estimate at closing of the Acquisition of Contingent Consideration that will ultimately be paid in connection with such Acquisition) that exceeds a purchase price of \$5,000,000 will require third party due diligence acceptable to the Lenders.

"Permitted Disposition" means ~~(i) the sale or other disposition for fair market value of obsolete or worn-out property or other property not necessary for operations disposed of in the ordinary course of business, and (ii) the sale or other disposition of assets in the ordinary course of business, in each case made in the absence of an Event of Default and so long as the net proceeds from any asset sale or any series of related asset sales (other than sales)~~ Dispositions of inventory in the ordinary course of business in excess of \$250,000 shall be applied to the Term Loan (as defined in the Senior Loan Agreement); (b) Dispositions of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Borrower then the transferee thereof must be a Borrower; (c) Dispositions of accounts receivable in connection with the collection or compromise thereof; (d) Dispositions of machinery and equipment no longer used or useful in the conduct of business of the Borrowers and their Subsidiaries that are Disposed of in the ordinary course of business; (e) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries; and (f) the sale or disposition of Cash Equivalents for fair market value.

"Permitted Encumbrances" means all of the following:

- (i) Encumbrances securing any of the Obligations;
- (ii) Encumbrances securing the Senior Loan;
- (iii) Encumbrances presently securing other Debt as described in Schedule 5.11;
- (iv) Encumbrances securing Purchase Money Security Interests permitted under Section 7.1;
- (v) Encumbrances securing Taxes not yet delinquent or, if reserve has been made therefor as required by GAAP, those which are due but are being contested in good faith by appropriate action promptly initiated and diligently conducted;
- (vi) mechanics', repairmen's, materialmen's, and other like liens arising from isolated transactions by operation of law in the ordinary course of business securing accounts that are not delinquent or that are being contested diligently and in good faith by appropriate proceedings and as to which Borrowers have set aside

reserves on their books in accordance with GAAP or the payment of which obligations are otherwise secured in a manner satisfactory to the Required Lenders (to avoid doubt, landlord's liens are not Permitted Encumbrances and Lenders may require their waiver or subordination);

- (vii) zoning ordinances, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions, and other such Encumbrances on real property not securing monetary obligations and which are of a type customarily placed on real property and do not materially impair the value of the affected Property;
- (viii) Encumbrances arising in the ordinary course of business by virtue of any contractual, statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies covering deposit or securities accounts, but only to the extent securing administrative charges unless otherwise expressly permitted under the applicable Control Agreement;
- (ix) pledges or deposits under workers' compensation, unemployment laws, social security, or other similar statutory obligations made in the ordinary course of business and securing obligations that are not delinquent;
- (x) reasonable and necessary cash deposits made in the ordinary course of business to secure the performance of utility contracts and other such contracts for which pledges or deposits are customary; ~~and~~
- ~~(xi) Encumbrances granted to any settlement bank, sponsor bank and/or processor in (i) funds, instruments or deposit accounts held by such entities or any other direct or indirect subsidiary or affiliate of such entities and/or any other deposit accounts into which funds are deposited by any settlement bank, sponsor bank and/or processor pursuant to or in connection with any sponsorship or processing agreement to which any Borrower is a party (provided that (x) the applicable Borrower has not opened or maintained any deposit account with any such entity or its direct or indirect subsidiaries or affiliates other than solely in connection with a sponsorship or processing agreement and (y) no funds other than those paid pursuant to or in connection with such sponsorship or processing agreement are deposited therein), or (ii) in all of any Borrower's rights relating to any such sponsorship or processing agreement with such entities and in all related future sales transactions, but only so long as (i) such Encumbrances are granted in the ordinary course of business under the terms of a sponsorship or processing agreement to which the applicable Borrower is a party, and (ii) such Encumbrances secure only (x) ordinary course liabilities arising under any such sponsorship or processing agreement and (y) any other obligations and liabilities of the applicable Borrower arising under any other agreement between such Borrower and such entities (provided that such Borrower has incurred no obligations or liabilities to any such entity other than those arising under a sponsorship or processing agreement with such entity) and (iii) any such Encumbrance does not extend to any Property of any applicable Borrower other~~

than that described in this subparagraph (xi) and the amount secured by such Encumbrance shall not exceed the amount owed by the applicable Borrower under any such agreement.

(xi) Settlement Liens;

(xii) Encumbrances securing Acquired Indebtedness permitted hereunder; provided that (i) such Encumbrances do not at any time encumber any property other than property of the Person acquired in the applicable Permitted Acquisition at the time of such Permitted Acquisition and (ii) such Encumbrances shall exist prior to the applicable Permitted Acquisition and shall not be incurred in anticipation of the applicable Permitted Acquisition; and

(xiii) other Encumbrances of a type not otherwise contemplated by this definition that secure obligations in an aggregate amount not to exceed \$1,000,000.

“**Permitted Equity**” means Equity Interests issued by ~~a Borrower~~ 3 Verticals or HoldCo after the Closing Date that are (i) approved by the Required Lenders, or (ii) are not approved by the Required Lenders, but which (A) do not impose upon a Borrower or HoldCo any obligation of redemption, payment of dividends, or like obligation, unless expressly subordinate to the full payment of the Obligations, and (B) to the extent required to be pledged pursuant to Section 6.4(c) hereof, are when issued made subject to a first priority perfected security interest in favor of Collateral Agent pursuant to documents approved by Collateral Agent in the instance.

“**Permitted Tax Distribution**” is defined in Section 7.3.

“**Person**” means any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority, and any other form of legally recognized entity.

“**Plan**” means any employee benefit or other plan established or maintained, or to which contributions have been made, by a Borrower or any ERISA Affiliate of a Borrower and covered by Title IV of ERISA or to which Section 412 of the IRC applies.

“**Pro Forma Basis**” means, ~~(i) with respect to any Person, business, property or asset acquired in a Permitted Acquisition or other Acquisition approved in writing by Lenders, the inclusion as “EBITDA” of the Acquisition EBITDA mutually agreed upon by Borrowers, Lenders, and the Senior Lender, for such Person, business, property or asset as if such Permitted Acquisition or Acquisition had been consummated on the first (1st) day of the applicable period, based on historical results accounted for in accordance with GAAP, and (ii) with respect to any Person, business, property or asset sold, transferred or otherwise disposed of, the exclusion from “EBITDA” of the EBITDA for such Person, business, property or asset so disposed of during such period as if such disposition had been consummated on the first day of the applicable period, in accordance with GAAP.~~ with respect to any transaction, that for purposes of calculating the financial covenants set forth in Article 8, such transaction (including the incurrence of any Debt therewith) shall be deemed to have occurred as of the first day of the most recent four Fiscal Quarter period preceding

the date of such transaction for which financial statements were required to be delivered pursuant to Section 6.5(a) or 6.5(c). In connection with the foregoing, (a) with respect to any Disposition or Recovery Event, (i) income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period occurring prior to the date of such transaction and (ii) Debt which is retired shall be excluded and deemed to have been retired as of the first day of the applicable period and (b) with respect to any Acquisition, (i) income statement and cash flow statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement and cash flow statement items for the Borrowers and their Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.1 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Collateral Agent and (ii) any Debt incurred or assumed by any Borrower or any Subsidiary (including the Person or property acquired) in connection with such transaction and any Debt of the Person or property acquired which is not retired in connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) if such Debt has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination.

“Pro Forma Compliance Certificate” means a certificate of a Responsible Officer of the Borrower containing reasonably detailed calculations of the financial covenants set forth in Article 8 recomputed as of the end of the period of the four Fiscal Quarters most recently ended for which the Borrowers have delivered financial statements pursuant to Section 6.05(a) or (c) after giving effect to the applicable transaction on a Pro Forma Basis.

“Proceeding” means any litigation, arbitration, administrative proceeding, tax audit, investigation, or other action, proceeding, or formal investigation undertaken by or through any court or other Governmental Authority.

“Property” or **“Properties”** means any interest in any kind of property, whether real, personal, or mixed, or tangible or intangible.

“Pro Rata” means an apportionment based upon the relative principal amounts of the Term Loans (being 50% Harbert, 25% CCSD I, and 25% CCSD II as of the Closing Date).

“Pro Rata Share” means a share determined on a Pro Rata basis.

“Purchase Money Security Interests” means Encumbrances securing purchase money obligations (including Capital Leases) made to acquire or construct Equipment, which Encumbrance (i) is perfected within twenty (20) days after acquisition thereof, (ii) does not secure a principal amount exceeding the purchase price of the Equipment, (iii) secures an obligation that is payable on an approximately level basis over a period that does not exceed the useful life of the asset, and (iv) only encumbers the asset so purchased.

“Qualified Acquisition” means (a) a Permitted Acquisition for which the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrowers of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) exceeds \$15,000,000, or (b) a series of related Permitted Acquisitions in any three (3) month period, for which the aggregate cash and non-cash consideration (including assumed Indebtedness, the good faith estimate by the Borrower of the maximum amount of any deferred purchase price obligations (including any earn out payments) and Equity Interests) for all such Permitted Acquisitions exceeds \$15,000,000; provided, that, for any Permitted Acquisition or series of Permitted Acquisitions to qualify as a “Qualified Acquisition”, the Collateral Agent shall have received (not fewer than five (5) Business Days (or such lesser period of time as may be agreed to by the Collateral Agent in its sole discretion) prior to the consummation of such Permitted Acquisition or the last in a series of related Permitted Acquisitions) a Qualified Acquisition Election Certificate with respect to such Permitted Acquisition or series of Permitted Acquisitions.

“Qualified Acquisition Election Certificate” means a certificate of a Responsible Officer of the Borrowers, in form and substance reasonably satisfactory to the Collateral Agent, (a) certifying that the applicable Permitted Acquisition or series of related Permitted Acquisitions meet the criteria set forth in clauses (a) or (b) (as applicable) of the definition of “Qualified Acquisition”, and (b) notifying the Collateral Agent that the Borrower has elected to treat such Permitted Acquisition or series of related Permitted Acquisitions as a “Qualified Acquisition”.

“Qualifying IPO” means the issuance by i3 Verticals or HoldCo after an Up-C Restructuring of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8 or S-4) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in connection with a secondary public offering) or in a firm commitment underwritten offering (or series of related offerings of securities to the public pursuant to a final prospectus) made pursuant to the Securities Act which results in gross cash proceeds to i3 Verticals or HoldCo after an Up-C Restructuring of at least \$50,000,000.

“Recovery Event” means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Borrower or any Subsidiary.

“Residual Buyout” means any transaction in which a Borrower purchases a portion of the residual payments of any third party Person which provides business services to such Borrower; provided that any such residual buyout transaction shall be made in the ordinary course of business and consistent with prudent business practices customary in the industry in which such Borrower operates, ~~and further provided that if any such residual buyout involves a payment of \$500,000.00 or more, prior to the consummation of any such transaction, such Borrower shall provide a pro forma compliance certificate to the Collateral Agent which demonstrates compliance on a pro forma basis with the covenants set forth in Article 8.~~

“Required Lenders” means Lenders owning more than half of the total outstanding principal balance of the Term Loans.

“Responsible Officer” means either the president, vice president, chief financial officer, treasurer or secretary of Borrowers or such other representative of Borrowers as may be designated in writing by any one of the foregoing.

“Restatement Closing Date” means the date of this Agreement.

“S&P” means [Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw Hill Companies, Inc. and any successor thereto.](#)

“SBA” means the United States Small Business Administration.

“SBIC Act” means the Small Business Investment Act of 1958.

“SEC” means the United States Securities and Exchange Commission (or any other federal agency at that time administering the Securities Act and/or the Exchange Act).

“Securities Act” means the Securities Act of 1933.

“Security Agreement” means that Security Agreement dated as of August 14, 2013, by and among Existing Borrowers and Collateral Agent, as amended, modified, or restated from time to time.

“Seller Notes” means collectively, the DBS Seller Note, the APS Seller Note, and any other note or purchase price obligation executed at any time by any Borrower in favor of any seller in connection with any Acquisition or Permitted Acquisition (other than a note evidencing Contingent Consideration).

“Senior Lender” means a lender who extends credit to Borrowers that is subject to a Senior Subordination Agreement, and its successors and permitted assigns and replacements.

“Senior Loan” means Debt held by Senior Lender and which is subject to and permitted under a Senior Subordination Agreement.

“Senior Loan Agreement” means that ~~Term Loan Agreement and Revolving Loan~~[certain Credit](#) Agreement dated as of ~~April 29~~[October 30, 2016](#)~~2017~~, among Borrowers, certain lenders signatory thereto, and ~~First Bank, as Administrative of America, N.A. as Collateral~~ Agent for such lenders (as may be amended from time to time in accordance with its terms and the Senior Subordination Agreement).

“Senior Subordination Agreement” means a subordination agreement with a Senior Lender in form and substance approved and executed by Collateral Agent and Lenders, pursuant to which Collateral Agent’s and each Lender’s rights are made subordinate to the rights of the Senior Lender in certain respects. Without limiting in any respect Collateral Agent’s and each Lender’s discretion in approving other terms and conditions of a Senior Subordination Agreement, Collateral Agent and Lenders shall be under no obligation to consider such an agreement if it (i) permits Senior Debt exceeding 110% of the principal debt committed by the Senior Lender, (ii) imposes payment

blockage or a remedies standstill without written notice to Lenders, (iii) imposes payment blockage for more than one hundred eighty (180) days on account of defaults other than monetary defaults, (iv) imposes a remedies standstill period that extends for more than one hundred eighty (180) days or that impairs Lenders' ability to charge the Default Rate or to obtain equitable relief for non-monetary breaches by Borrowers, (v) requires the release of Collateral Agent's security interest in consensual dispositions of Borrower's assets, (vi) permits the amendment of the senior loan documents without Collateral Agent's and each Lender's consent in any way that would make the documents less advantageous to Borrowers in any material respect, (vii) encumbers or restricts remedies regarding the key man life insurance on Greg Daily or the Equity Interests of i3 Verticals that are required to secure the Obligations, or (viii) materially impairs the ordinary rights that Collateral Agent and Lenders would have in a Borrower's bankruptcy case.

"Settlement" means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of business.

"Settlement Asset" means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

"Settlement Lien" means an Encumbrance securing obligations arising under or related to any Settlement or Settlement Obligation that attaches to (a) Settlement Assets (including any assignment of Settlement Assets in consideration of Settlement Payments), (b) any intraday and overnight overdraft and automated clearing house exposure or asset specifically related to Settlement Assets, (c) loss reserve accounts specifically related to Settlement Assets, (d) merchant suspense funds specifically related to Settlement Assets, or (e) rights under any BIN/ISO Agreement or fees paid or payable under any BIN/ISO Agreement.

"Settlement Obligations" means any payment or reimbursement obligation in respect of a Settlement Payment.

"Settlement Payment" means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

"Settlement Receivable" means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person.

"Solvent" means, as to any Person, that as of the date of determination, (i) the fair value of the Property of such Person is greater than the total amount of liabilities of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its Debts as they become absolute and matured, and (iii) such Person does not intend to, or believe or reasonably should have believed that such Person will, incur liabilities beyond its ability to repay as they become due.

“Subordinated Seller Debt” means unsecured Debt that the Required Lenders may approve and that is held by a seller to a Borrower of assets or of Equity Interests in a Permitted Acquisition, which Debt is subject to a subordination agreement in form and substance approved and executed by Collateral Agent, and pursuant to which Collateral Agent’s and each Lender’s rights are made senior to the rights of the seller. Collateral Agent may require that such Debt is deeply subordinated and favorable to Collateral Agent and Lenders in all respects, including an unlimited payment blockage and standstill period as to all remedies during the continuation of an Event of Default.

“Subrogation Rights” means all rights of indemnity, exoneration, subrogation, contribution, and any other such rights that may apply among Borrowers respecting the Obligations.

“Subsidiary” means, with respect to any Person (the **“parent”**), any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of which would be consolidated with those of the parent in the ~~parent’s~~parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, joint venture, limited liability company, association or other entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power, or in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (ii) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Taxes” means all taxes and other assessments and remittance obligations imposed by any Governmental Authority on a Borrower or on any of its Properties.

“Term Loans” is defined in Section 2.1.

“Term Loan Maturity Date” is defined in Section 2.8.

“Term Loan Notes” means those three Secured Term Loan Notes dated as of the Closing Date made by Borrowers payable to the order of the respective Lenders in the amount of their respective Term Loans.

“UCC” means the Uniform Commercial Code as adopted in the State of Tennessee.

“Up-C Restructuring” means a transaction or series of related transactions in anticipation of a Qualifying IPO pursuant to which it is anticipated that: (i) the limited liability company agreement of i3 Verticals may be amended and restated to, among other things, modify i3 Verticals’ capital structure by replacing the different existing classes of outstanding Equity Interests with one or more new classes of Equity Interests, which may be voting or non-voting; (ii) a newly formed Delaware corporation (“HoldCo”) will conduct a Qualifying IPO; (iii) HoldCo and the Loan Parties will execute a joinder to this Agreement in form and substance to the reasonable satisfaction of the Collateral Agent, whereby HoldCo becomes a Borrower hereunder, agrees to use proceeds of the Qualifying IPO as required by Section 2.05(b)(vi)(C) of the Senior Loan Agreement (in its form on the Eleventh Amendment Effective Date) and becomes subject to the terms and conditions of

this Agreement, with such ministerial amendments as are necessary to add HoldCo as a Borrower as the Collateral Agent and Borrowers may agree to; (iv) i3 Verticals will become a Subsidiary of HoldCo with HoldCo holding 100% of the voting stock of i3 Verticals and becoming the sole managing member of i3 Verticals following the Qualifying IPO; (v) outstanding Equity Interests of i3 Verticals retained by owners will be exchangeable into Equity Interests of HoldCo pursuant to the terms of an exchange agreement; (vi) holders of Equity Interests of i3 Verticals who remain owners of i3 Verticals following the Qualifying IPO may be issued one or more class of voting stock of HoldCo with no economic rights in a percentage corresponding to their percentage ownership of i3 Verticals; and (vii) i3 Verticals and/or HoldCo will enter into exchange rights, registration rights, tax receivable and other agreements with holders of i3 Verticals' Equity Interests implementing the Up-C Restructuring, in each case subject to the consent of the Collateral Agent, such consent not to be unreasonably withheld, delayed or conditioned, and in the case of clauses (i) through (vii), with such variances in, and additions to, such terms and conditions as are necessary to accomplish the Up-C Restructuring and as the Collateral Agent may agree to, such consent not to be unreasonably withheld, delayed or conditioned.

“USDC” means U.S. Data Capture, Inc., a New York corporation.

“USDC Partners” means USDC Partners, LLC, a New York limited liability company.

“Warrants” means the Warrants issued to Lenders on the Closing Date Pro Rata, which provide for the rights to purchase in the aggregate up to 9.5% of i3 ~~Verticals's~~Verticals' fully- diluted common equity as of the Closing Date.

1.2 Additional Defined Terms. Certain defined terms are defined elsewhere in the body of this Agreement and the other Loan Documents. Additional definitions related primarily to financial covenants are set forth in Article 8.

1.3 Computations; Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purposes of any Loan Document, such determination or computation shall be made in accordance with GAAP to the extent applicable and except as may be otherwise specified. If a change in GAAP after the Closing Date would require a change affecting the calculation of any requirement under this Agreement, then Lenders and Borrowers shall negotiate in good faith for the amendment of the affected requirements; provided, however, until and unless such an amendment is agreed upon, the requirements of this Agreement shall remain as written and compliance therewith shall be determined according to GAAP as in effect prior to the change. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenants in Article 8 shall be made on a Pro Forma Basis with respect to (i) any Disposition of all of the Equity Interests of, or all or substantially all of the assets of, a Subsidiary, (ii) any Disposition of a line of business or division of any Borrower or Subsidiary, (iii) any Acquisition, or (iv) any Residual Buyout, in each case, occurring during the applicable period.

1.4 Standards for Consent. Whenever any Loan Document conditions any matter upon the approval, consent, specification of requirements by, or other such act of a Lender or Collateral

Agent, such actions shall be deemed taken or withheld only as such Lender or Collateral Agent may elect in writing (whether or not the specific provision requires a writing) in its sole and absolute discretion, unless another standard is expressly stated.

1.5 References to Documents. Any reference in a Loan Document to another document shall include all schedules, exhibits, supplements, and addenda thereto (however denominated) and shall include such documents as they may be amended, modified, supplemented, or restated from time to time, unless (i) otherwise expressly specified, or (ii) such amendment, modification, supplementation, or restatement is prohibited by any Loan Document.

1.6 References to Laws. Unless otherwise specified, any reference in a Loan Document to a Law, means (i) such Law as in effect as of the Closing Date and as it may hereafter be amended and (ii) all future substitutions for such Law.

1.7 References to this Agreement. “Herein,” “hereof” and words of similar import in the Loan Documents refer to the entire document in which they appear and not to any particular provision thereof, unless otherwise expressly stated. References to Articles, Sections, Exhibits, or Schedules are to those included in this Agreement unless otherwise specified.

1.8 Other Interpretive Conventions. Except where a Loan Document expressly provides otherwise, (i) the word “includes” and variants thereof mean “including, but not limited to”, (ii) the disjunctive “or” includes the conjunctive (“and/or”), and (iii) the meanings given to terms defined herein shall be equally applicable to both the singular and plural forms thereof (without limitation, any requirement of “Borrowers” or “all Borrowers” shall apply to Borrowers both jointly and severally).

ARTICLE 2. TERM LOANS

2.1 Amount of Term Loans; Term Loan Notes. Lenders severally and not jointly agree to lend to Borrowers the aggregate sum of Ten Million Five Hundred Thousand and No/100 Dollars (\$10,500,000.00) (the “**Term Loans**”), on the terms and conditions set forth in this Agreement. The Term Loans shall be further evidenced by the Term Loan Notes. The Term Loans shall be allocated between Lenders as follows:

CCSD II	\$2,625,000
CCSD I	\$2,625,000
Harbert	\$5,250,000

2.2 Use of Proceeds. The proceeds of the Term Loans have been used to fund certain permitted acquisitions by the Borrowers, to pay transaction costs of such transactions and this Agreement, and to provide working capital to Borrowers.

2.3 Advances. The Term Loans shall be disbursed by Lenders Pro Rata in an advance made on the Closing Date in the amount of Nine Million and No/100 Dollars (\$9,000,000.00) (the “**Initial Advance**”) and an advance made on a subsequent date on or before December 31, 2013,

in the amount of One Million Five Hundred Thousand and No/100 (\$1,500,000.00) (the “**Second Advance**”).

2.4 Accrual of Interest. Interest shall accrue on the outstanding principal balance of the Term Loans at the rate of twelve percent (12.0%) per annum (based upon a 360-day year and actual days elapsed); provided, however, upon the occurrence and during the continuation of an Event of Default, Interest shall accrue at the Default Rate.

2.5 Interim Payments of Interest. Interest on the Term Loans shall become due in arrears on the first day of each month, commencing September 1, 2013.

2.6 Voluntary Prepayments of Principal. Borrowers may voluntarily prepay principal of the Term Loans, in whole or in part, without premium or penalty; provided, however, that any prepayment must be made upon at least five (5) calendar days’ prior written notice to Lenders.

2.7 Mandatory Prepayment of Principal. Borrowers shall cause the direct payment by the insurer to Collateral Agent of any proceeds of life insurance on Greg Daily that is assigned to Collateral Agent to secure the Obligations, and these proceeds shall be applied to expenses, then interest, and then principal included in the Obligations as a prepayment of the Obligations.

2.8 Final Payment of All Amounts. All remaining principal, interest, and other Obligations shall become due in full upon the first to occur of (i) an IPO, (ii) acceleration due to an Event of Default, or (iii) ~~November 29~~ April 30, 2020 ~~2023~~ (the “**Term Loan Maturity Date**”).

2.9 Late Fee. If any payment of principal, interest, fees, or expenses due to Lenders respecting the Term Loans is not paid within ten (10) days after it is due, a late fee of five percent (5%) of such amount shall accrue and be immediately due and payable. The delay of the accrual of this late fee does not evidence or imply any obligation upon Collateral Agent or Lenders to forbear in the exercise of remedies available upon an Event of Default.

2.10 Processing Fee. Borrowers shall pay to Lenders Pro Rata a processing fee in the total amount of One Hundred Eighty Thousand and No/100 Dollars (\$180,000.00) upon funding of the Initial Advance at the Closing and Thirty Thousand and No/100 Dollars (\$30,000.00) upon funding of the Second Advance.

2.11 Pro Rata Direct Payments. All Payments of principal and interest respecting the Term Loans shall be paid by Borrowers directly to the respective Lenders, Pro Rata.

2.12 Manner of Payment. All payments on the Term Loans shall be made by bank draft, unless the applicable Lender requires payment by wire or another commercially reasonable method.

2.13 Value of Warrants. Borrowers and Lenders agree that for tax and accounting purposes, reasonable values of the Warrants as of the Closing Date are as set forth below, and they will take accounting and tax positions consistent with these valuations.

Warrant Issued to: Value:

CCSD I \$0.00

CCSD II \$0.00

Harbert \$0.00

**ARTICLE 3.
RELATIONSHIP OF BORROWERS**

Borrowers jointly and severally warrant and represent to Lenders and Collateral Agent, and agree with Lenders and Collateral Agent, as follows:

3.1 Joint and Several Liability. Borrowers are interdependent for their operational and financial needs, and they, Lenders, and Collateral Agent intend that each Borrower be jointly and severally liable for each monetary obligation, warranty, and covenant obligation arising under this Agreement. This Agreement is fair to all Borrowers, and the delivery of funds to a Borrower under this Agreement shall constitute valuable consideration and reasonably equivalent value to all Borrowers for the purpose of jointly and severally binding them and their assets to secure the Obligations. Lenders and Collateral Agent may enforce this Agreement against a Borrower without first making demand upon or instituting collection proceedings against any other Borrower.

3.2 Funding Requests and Administration. A Borrower may act on behalf of all Borrowers for the purpose of giving and receiving notices and otherwise acting in the administration of this Agreement. Any dealing of a Borrower with Lenders or Collateral Agent under this Agreement or any other Loan Document shall be deemed for the benefit of, and on behalf of, all Borrowers.

3.3 Unconditional Obligation. The unconditional liability of each Borrower for the entire amount of the Obligations shall not be impaired by any event whatsoever (other than the discharge of such Borrower by indefeasible payment in cash), including, without limitation, the merger, consolidation, dissolution, cessation of business, or liquidation of any other Borrower; the financial decline or bankruptcy of any other Borrower; the failure of any other party to guarantee the Obligations or to provide collateral therefor; Collateral Agent's or any Lender's compromise or settlement with or without release of any other Borrower, with or without reservation of rights; Collateral Agent's or any Lender's release of any collateral for the Obligations, with or without notice to a Borrower; Collateral Agent's or any Lender's forbearance in the exercise of any available remedies, including the failure to file suit against any other Borrower; Collateral Agent's or any Lender's failure to give a Borrower notice of default; the unenforceability of the Obligations against any other Borrower due to bankruptcy discharge, affirmative defense, counterclaim, or for any other reason; Collateral Agent's or any Lender's acceleration of the Obligations; the extension, modification, or renewal of the Obligations; Collateral Agent's or any Lender's failure to undertake or exercise diligence in collection efforts against any party or Property; the termination of any relationship of a Borrower with any other Borrower, including, without limitation, any relationship of commerce or ownership; a Borrower's change of name or use of any name other than the name used to identify such Borrower in this Agreement; or a Borrower's use of the credit extended by Lenders for any purpose whatsoever.

3.4 Subrogation Rights. Borrowers' respective Subrogation Rights with respect to the Obligations are not impaired by this Agreement and are appropriately taken into account in determining that each Borrower is Solvent. Settlement responsibilities for the Obligations among Borrowers shall be allocated in the application of Subrogation Rights as to best uphold the validity of this Agreement and to give effect to Section 3.5; provided, however, each Borrower agrees not to make any claim against or seek any payment directly or indirectly from another Borrower with respect to any Subrogation Right until the Obligations have been indefeasibly paid in full.

3.5 Savings Provision. If, notwithstanding the contrary agreement and intention of the parties hereto, the liability of a Borrower hereunder for the entire amount of the Obligations shall be subject to avoidance, reduction, or limitation under any state or federal fraudulent conveyance law or other Law that may be determined to be applicable, the liability of such Borrower shall be limited to the maximum amount for which such Borrower may be liable without legal impairment.

3.6 Independent Existence. The joint and several liability of Borrowers for the Obligations does not impair their separate legal existence, and Borrowers warrant and represent that they do, and agree that they shall continue to, conduct their affairs so as to maintain their separate legal existence.

**ARTICLE 4.
CONDITIONS**

4.1 Documentary Conditions to Initial Advance. As conditions to the funding of the Initial Advance, Lenders and Collateral Agent shall have received all of the documents required for delivery at the Closing in the Closing Agenda appended hereto as Exhibit 4.1, which documents shall be, in the discretion of Lenders, Collateral Agent, and their counsel, sufficient to:

- (i) establish the existence and authority of all Borrowers and other Persons executing Loan Documents;
- (ii) evidence the Obligations;
- (iii) secure the Obligations with the real and personal property Collateral provided by Borrowers, with the priority required in this Agreement;
- (iv) provide assurances to Lenders from landlords of Borrowers' locations (if not available at the Closing, such assurances shall be delivered within forty- five (45) days after the Closing);
- (v) provide Control Agreements with respect to Borrowers' deposit and securities accounts, approved by Lenders (if not available at the Closing, such documents shall be delivered within forty-five (45) days after the Closing);
- (vi) evidence that the required key man insurance on Greg Daily is in effect and pledged to secure the Obligations;

- (vii) secure the Obligations with the Equity Interests of i3 Verticals, with the priority required in this Agreement;
- (viii) evidence that all other required insurance is in effect;
- (ix) evidence the issuance of the Warrants;
- (x) evidence Borrowers' ~~counsel's~~ counsel's opinions as to customary matters;
- (xi) comply with all applicable SBA Laws;
- ~~(xii) evidence the subordination of the Daily Loan; and~~
- (xii) ~~(xiii)~~ otherwise serve such purposes incidental to the Closing as Lenders or Collateral Agent may reasonably require.

4.2 Additional Conditions to Initial Advance. As conditions to the funding of the Initial Advance, the following additional conditions shall have been satisfied in a manner approved by Lenders and their counsel:

- (i) satisfactory completion of financial, accounting, tax, management, legal, environmental, insurance, industry, compliance, vendor, customer, and other due diligence by Lenders and their diligence consultants;
- (ii) Lenders' satisfaction that the combined EBITDA of Borrowers (including the historical EBITDA of USDC, adjusted as Lenders may require) will be at least \$2,100,000 at the Closing;
- (iii) Lenders' 2 approval of the final sources and uses of funds, including transaction fees;
- (iv) Lenders' 2 approval of employment agreements, non-compete agreements, non-solicitation agreements, and other such agreements with all key employees of Borrowers;
- (v) Lenders' 2 approval of all Material Contracts;
- (vi) the approval of Lenders' Investment Committees shall have been obtained;
- (vii) there must be no Material Adverse Change respecting a Borrower since the date of their applicable Financial Statements;
- (viii) Borrowers' payment of all of Lenders' reasonable out-of-pocket diligence expenses and the fees and expenses of Lenders' counsel; and

(ix) such other conditions as Lenders or Collateral Agent may reasonably require.

4.3 Documentary Conditions to Second Advance. As conditions to the funding of the Second Advance, Lenders and Collateral Agent shall have received:

- (i) all of the documents that were conditions to the Initial Advance and additional documents to in like manner evidence and secure the Obligations and Collateral Agent's security interests and liens securing the Obligations, taking into account the acquisition of assets of USDC Partners;
- (ii) copies of all documents evidencing the Acquisition of USDC Partners;
- (iii) a written request for advance at least ten (10) days prior to the date on which the closing of the Acquisition of USDC Partners, and the Second Advance, are to occur; and
- (iv) a closing certificate issued by Borrowers as of the date of the Second Advance, confirming (i) the accuracy of all representations and warranties made in this Agreement (updated to be effective as of the making of the Second Advance and giving effect to the Acquisition of USDC Partners) and (ii) the absence of any Default, any Event of Default, and any Material Adverse Change.

4.4 Additional Conditions to Second Advance. As conditions to the funding of the Second Advance, the following additional conditions shall have been satisfied in a manner approved by Lenders and their counsel:

- (i) Lenders' satisfaction that all conditions to the Initial Advance listed in Section 4.2 were satisfied and, to the extent applicable, remain so as of the making of the Second Advance (to avoid doubt, this does not require additional Investment Committee approval);
- (ii) Lenders' satisfaction that the combined EBITDA of Borrowers (including the historical EBITDA of USDC Partners, adjusted as Lenders may require) will be at least \$2,100,000 at the Closing;
- (iii) the absence of a Default or Event of Default; and
- (iv) the absence of a Material Adverse Change.

ARTICLE 5.

REPRESENTATIONS AND WARRANTIES

As an inducement to cause Lenders and Collateral Agent to enter into the Loan Documents, Borrowers jointly and severally represent and warrant to Collateral Agent and Lenders as follows as of the Restatement Closing Date:

5.1 Capacity. Each Borrower is an entity of the type denoted in the preamble of this Agreement and is duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its formation. Each Borrower is qualified to do business as a foreign entity in all jurisdictions that require such qualification. Each Borrower exists and operates in full accordance with its Constituent Documents. Each Borrower has the full power and authority to own its Properties and to carry on its business as now being conducted and as proposed to be conducted after the execution of this Agreement, and to execute, deliver, and perform under the Loan Documents.

5.2 Authorization. The execution, delivery, and performance of the Loan Documents by each Borrower have been duly authorized by all requisite action of its Governing Body, owners of its Equity Interests, and any other Persons required under its Constituent Documents.

5.3 Binding Obligations. The Loan Documents have been duly executed and delivered to Lenders and Collateral Agent and are the legal, valid, and binding obligations of each Borrower, enforceable in accordance with their respective terms, subject only to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws.

5.4 No Conflicting Law or Agreement. The execution, delivery, and performance of the Loan Documents by the respective Borrowers do not and will not (i) breach, cause a default under, conflict with, cause any Encumbrance to arise under, or cause any economic, governance, or management rights to change under, any provisions of the Constituent Documents of a Borrower, (ii) violate any Law to which a Borrower is subject or by which any of its Properties are bound, (iii) violate the terms of any Order applicable to a Borrower or any of its Properties, (a) violate or impair any Permit necessary to a Borrower's operations, or (iv) breach, cause a default under, conflict with, cause any Encumbrance to arise under, or cause any economic, governance, or management rights to arise or change under, any Contract.

5.5 No Consent Required. Except as listed in Schedule 5.5, the execution, delivery, and performance of the Loan Documents by Borrowers do not require the consent or approval of, or the giving of notice to, any Person except for (i) consents required under Borrowers' respective Constituent Documents, all of which consents have been finally obtained and remain in effect, and (ii) the filing of Loan Documents and the taking of other actions expressly provided for in the conditions to closing stated in this Agreement.

5.6 Pending Orders. Schedule 5.6 lists all Orders to which a Borrower is a party or by which a Borrower or its Properties are or would be otherwise affected. Borrowers are in full compliance with all such Orders.

5.7 Pending Proceedings. Schedule 5.7 lists all pending and threatened Proceedings to which a Borrower is (or if only threatened, would) be a party or by which a Borrower or its Properties are or would be otherwise affected.

5.8 Past Proceedings. Schedule 5.8 lists all Proceedings and Orders that are no longer pending or threatened but to which a Borrower has been a party or by which a Borrower or its Properties were otherwise affected, in each case since their formation.

5.9 Financial Statements. Except as listed in Schedule 5.9, (i) the financial statements of Borrowers have been prepared in accordance with GAAP (subject to year-end adjustments and footnotes) and present fairly in all material respects the financial condition of Borrowers as of the date stated therein, and (ii) no Material Adverse Change has occurred to any Borrower since the date of the most recent such financial statements.

5.10 Fiscal Year. Each Borrower's Fiscal Year ends on September 30 of each year.

5.11 Debt and Related Encumbrances. Schedule 5.11 is a list of all Debt of each Borrower other than the Term Loans and a description of collateral securing the Debt so listed.

5.12 Off-Balance Sheet Transactions. Except as listed in Schedule 5.12, no Borrower is a party to any sale-leaseback transaction, securitization, sale of accounts, financial accommodations with Affiliates, or any other transactions that could be construed as off-balance-sheet financing methods.

5.13 Taxes; Governmental Charges. Each Borrower has filed or caused to be filed all tax returns (including informational returns) required by Law. Each Borrower has paid, or made adequate provision for the payment of, all Taxes that are due or are alleged to be due by any Governmental Authority, except for such Taxes, if any, that (i) are being contested in good faith by appropriate proceedings, (ii) for which adequate reserves have been provided, and (iii) are described in Schedule 5.13. No extension of time for the assessment of Taxes or the filing of any return by a Borrower is in effect.

5.14 ERISA Plans. Schedule 5.14 lists all Plans which a Borrower has sponsored or to which it has made any contributions.

5.15 Title to Properties. Each Borrower has good and marketable title to its Properties, free and clear of all Encumbrances, except for Permitted Encumbrances.

5.16 Property in Borrowers' Possession. Borrowers are not in possession of a material amount of Property belonging to Persons other than Borrowers. Without limitation, Borrowers do not possess any Property held by them on consignment from other Persons.

5.17 Locations of Property. Except for immaterial amounts of Property temporarily in the possession of vendors for repairs and other incidental purposes in the ordinary course of business, all of Borrowers' Property is located at (i) Borrowers' locations listed in Schedule 5.17, and (ii) those additional locations described in Schedule 5.17.

5.18 Condition of Properties. Except as listed in Schedule 5.18, each Borrower's material Properties are in good condition, ordinary obsolescence and wear and tear excepted, and are sufficient for the operation of such Borrower's business.

5.19 Casualties and Extraordinary Events. Except as listed in Schedule 5.19, neither the business nor the Property of a Borrower is impaired or under threat of impairment in any way that could have a Material Adverse Effect as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike, or other labor disturbance, embargo, requisition, or taking of Property, cancellation of Contracts or Permits, concessions by any domestic or foreign government

or any agency thereof, riot, activities of armed forces, acts of God or of any public enemy, or any other *force majeure*.

5.20 Condemnation. Except as listed in Schedule 5.20, no Property of a Borrower is subject to any condemnation or other such Proceeding or, to Borrowers' Knowledge, is subject to a threat thereof.

5.21 Intellectual Property. Schedule 5.21 lists all material IP necessary to the operation of Borrowers' business (other than licenses of off-the-shelf software) and sets forth the registration information for all IP that has been registered with any Governmental Entity. Each Borrower (i) owns or possesses adequate licenses or other rights to use all IP as to entitle it to conduct its business as presently conducted, without infringement upon the rights of any Person, (ii) is in compliance in all material respects with all IP rights granted by other Persons, (iii) has taken reasonable steps to protect its proprietary interests in its IP, and (iv) has no Knowledge of any infringement or any adverse claim affecting its use of any such IP.

5.22 Equity Interests. Except as listed in Schedule 5.22, no Borrower owns any Equity Interests.

5.23 Hedge Agreements. Except as listed in Schedule 5.23, no Borrower is a party to any Hedge Agreement.

5.24 Compliance With Laws. Except as listed in Schedule 5.24, no Borrower is in violation of any Law to which it or any of its Properties are subject in any respect that could have a Material Adverse Effect, and to Borrowers' Knowledge, there are no outstanding citations, notices, investigations, or orders of noncompliance issued to a Borrower relating to any Law.

5.25 Environmental Compliance. Except as listed in Schedule 5.25, (i) each Borrower has complied with, and its Properties are owned and operated in compliance with, all Environmental Laws, except as could not in the aggregate have a Material Adverse Effect, and (ii) there have been no citations or notices of non-compliance of Environmental Laws issued to a Borrower.

5.26 ERISA. Borrowers are in compliance in all material respects with ERISA and all other applicable laws governing any Plan to which it is a party. No reportable Event presently exists or is threatened.

5.27 Investment Company Act. No Borrower is an "investment company" under the Investment Company Act of 1940.

5.28 Personal Holding Company. No Borrower is a "personal holding company" as defined in Section 542 of the IRC.

5.29 Labor Matters. Except as set forth in Schedule 5.29, (i) no Borrower is subject to any collective bargaining agreement or any Order requiring it to recognize, deal with, or employ any Person, (ii) no demand for collective bargaining has been asserted against a Borrower by any union or organization, (iii) no Borrower has experienced any strike, labor dispute, slowdown, or work stoppage due to labor dispute, and (iv) to Borrowers' Knowledge, there is no such strike, dispute, slowdown, or work stoppage threatened against a Borrower.

5.30 Regulation U. No Borrower is engaged in the business of extending credit for the purpose of purchasing or carrying “margin stock” (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System). No proceeds of the Term Loans will be used to purchase or carry any such margin stock.

5.31 Affiliate Transactions. Except as listed in [Schedule 5.31](#), no Borrower is or has been within the past three (3) years a party to any Contract with or for the benefit of any of its Affiliates, other than (i) obligations under its Constituent Documents, (ii) Contracts among Borrowers, and (iii) employment agreements otherwise disclosed pursuant to this Agreement.

5.32 Capitalization.

(a) **Capitalization Table.** [Schedule 5.32](#) describes (i) the Equity Interests of Borrowers and holders thereof, as outstanding and also on a fully-diluted basis (assuming conversion of all convertible securities and the exercise of all options, regardless of pricing or conditions), (ii) with respect to all outstanding warrants, options, and other such rights, the total number of shares or interests issuable upon exercise thereof, the exercise prices thereunder, and the expiration date thereof, and (iii) any obligation (contingent or otherwise) to repurchase, redeem, retire, or otherwise acquire any of its Equity Interests.

(b) **Phantom Equity.** [Schedule 5.32](#) also lists all of Borrowers’ obligations to pay or otherwise compensate any employee or other Person based upon the enterprise value of Borrowers or occasioned by a sale of assets or equity of a Borrower under any phantom equity plan, employment agreement with a participation feature, or other such Contract.

(c) **Validity of Equity Interests.** All of the outstanding Equity Interests of Borrowers are validly issued, fully paid, and nonassessable.

5.33 Permits. [Schedule 5.33](#) lists all Permits that are necessary to Borrowers’ operations, except for licenses that can be obtained upon the payment of a fee and completion of administrative applications without any inspection, regulatory approval, background check, or other substantive qualification. All listed Permits are validly outstanding; each Borrower is in material compliance with the requirements thereof; and [Schedule 5.33](#) lists all citations and written allegations of violations of the listed Permits that have been received within the last three (3) years, together with a summary of the matter and its resolution.

5.34 Employment Agreements. [Schedule 5.34](#) lists all Contracts pursuant to which a Borrower engages (i) any member of its Governing Body or any officer, or (ii) any other employee, consultant, or like Person, except for (A) obligations of indemnity and other general obligations arising under a [Borrower’s/Borrower’s](#) Constituent Documents, and (B) Contracts that are terminable at will by Borrower without payment of any severance fees, penalties, or other amounts except for ordinary compensation and benefits earned through the date of termination.

5.35 Management. Schedule 5.35 lists all officers of Borrowers and all members of Borrowers' Governing Bodies.

5.36 Material Contracts. Schedule 5.36 lists all of Borrowers' Contracts (except for employment Contracts disclosed pursuant to Section 5.34) that are (i) processing agreements with FDS Holdings, Inc., as successor to Paymentech, L.P. and Global Payments Direct, Inc. and all other such processing agreements, (ii) real estate leases or real estate licenses, (iii) with any vendor that represents more than fifteen percent (15%) of Borrowers' expenses during the most recent twelve (12) months, (iv) are with any customer that represents more than fifteen percent (15%) of Borrowers' sales during the most recent twelve (12) months, (v) are asset or stock purchase agreements executed by Borrower in connection with an Acquisition, including any Permitted Acquisition; or (vi) are otherwise Contracts which, if breached by the other party, could result in a Material Adverse Effect (all of the listed Contracts, together with the employment Contracts listed in Schedule 5.34, are referred to as the "**Material Contracts**"). Each Material Contract is in full force and effect, and no Borrower has Knowledge of any reason why such Contract will not remain in full force and effect, without breach, pursuant to the terms thereof.

5.37 Insurance. All insurance of which Borrowers are providing evidence at the Closing pursuant to Section 6.14 is in full force and effect with the coverage as represented to Lenders. Except as listed in Schedule 5.37, Borrowers have no pending insurance claims under any present or former policy of insurance.

5.38 Non-Compete Agreements. Schedule 5.38 lists all Contracts (i) under which a Borrower is the beneficiary of a covenant not to compete or a covenant not to solicit given by any Person, and (ii) under which a Borrower or, to Borrowers' Knowledge, any officer or member of the Governing Body of a Borrower, has undertaken a covenant not to compete or a covenant not to solicit in favor of any Person in a manner that could restrict their ability to be associated with Borrowers in respect of Borrowers' Line of Business or reasonable expansions thereof.

5.39 Delivery of Scheduled Agreements. Borrowers have delivered or made available to Lenders complete and correct copies of all Contracts, Permits, and other documents that are listed in the Schedules to this Agreement.

5.40 Perfection Diligence Certificates. The Perfection Diligence Certificates are complete and correct in all material respects.

5.41 Fees/Commissions. Except as listed in Schedule 5.41, no Borrower has agreed to pay any finder's fee, commission, origination fee (except for the fees to Lender provided for in this Agreement), or other such fee or charge to any Person or entity with respect to the Term Loans and the other transactions contemplated hereunder.

5.42 Accuracy of Projections. All business plans and other forecasts and projections furnished by or on behalf of Borrowers to Lender at or prior to Closing relating to the financial condition, business, operations, or Properties of Borrowers were, when given, and are (i) complete and correct in all material respects as to matters presented therein as facts, and (ii) to the Knowledge of Borrowers, were and are reasonable as to the estimates and assumptions made therein (although all forward-looking estimates and assumptions are subject to uncertainty).

5.43 Full Disclosure of Material Facts. To Borrowers' Knowledge, Borrowers have fully advised Lender of all matters involving the financial condition, business, operations, and Properties of Borrowers that would be reasonably expected to have a Material Adverse Effect. To Borrowers' Knowledge, no representation or warranty given by Borrowers contained in this Agreement or the other Loan Documents and no information, exhibit, or report furnished or to be furnished by Borrowers to Lender in or in connection with this Agreement or the other Loan Documents contains, as of the date thereof, any misrepresentation of fact or failed to state any material fact, the omission of which would render the statements therein materially false or misleading.

5.44 Recitals. The facts stated in the Recitals of this Agreement are correct.

5.45 Small Business Concern. Borrowers acknowledge that CCSD I and CCSD II are each a small business investment company licensed by the SBA. Borrowers represent and warrant that, taken together with its "affiliates" (as that term is defined in 13 C.F.R. §121.103), it is a "Small Business Concern" within the meaning of 13 C.F.R. §107, and meets the applicable size eligibility criteria set forth in 13 C.F.R. §121.301(c)(1) or the industry standard covering the industry in which a Borrower is primarily engaged as set forth in 13 C.F.R. §121.301(c)(2). No Borrower presently engages in any activities for which a small business investment company is prohibited from providing funds by 13 C.F.R. §107.720.

ARTICLE 6.

AFFIRMATIVE COVENANTS

Borrowers jointly and severally covenant with Lenders and Collateral Agent as set forth in this Article.

6.1 Maintenance of Existence. Each Borrower shall maintain its existence and good standing in its state of formation and all necessary qualifications in other states.

6.2 Payment of Obligations. Borrowers shall pay all amounts owed under the Obligations when due.

6.3 Accounts and Records. Borrowers shall maintain current, accurate, and complete books and records in accordance with good business practices to support the preparation of financial statements in accordance with GAAP.

6.4 Collateral for Obligations.

(a) **All Property of Borrowers.** The Obligations shall at all times be secured by a perfected security interest or other lien upon all of Borrowers' presently owned and hereafter acquired Property, subject only to Permitted Encumbrances, and Borrowers shall promptly execute and deliver such documents and take such other actions from time to time as Lenders may reasonably request to this end.

(b) **Key Man Insurance.** The Collateral provided by Borrowers shall at all times include a life insurance policy on Greg Daily in the amount of at least \$5,000,000 as of the Closing and \$10,000,000 by ninety (90) days after the Closing. The lien upon such policy shall be of first priority and shall not be subject to any restriction under the Senior Subordination Agreement.

(c) **Equity of i3 Verticals.** The Obligations shall be further secured by a first priority perfected security interest in all of the Equity Interests of i3 Verticals or, after the completion of the Up-C Restructuring, HoldCo that are at the time of determination owned by (i) any of the “Grantors” under that LLC Interests Security Agreement securing the Obligations dated as of August 14, 2013, as amended by that First Amendment to LLC Interests Security Agreement dated on or around February 14, 2014, or (ii) any Affiliate of any of them. Solely for purposes of this Section 6.4(c), “Affiliate” shall mean (i) any other Person who directly or indirectly Controls, is directly or indirectly Controlled by, or is directly or indirectly under common Control with, the specified Person, and (ii) if any such Grantor or an Affiliate thereof under the foregoing subsection (i) is a natural Person, each member of such individual’s Immediate Family (as defined in the definition of “Affiliate” in Section 1.1 hereof). The security interest in such Equity Interests shall be of first priority and shall not be subject to any restriction under the Senior Subordination Agreement except as Lenders and Collateral Agent may otherwise agree.

6.5 Financial Statements and Reports. Borrowers shall deliver to Lenders each of the financial statements and other reports described below.

(a) **Monthly Financial Reports.** As soon as available, and in any event within forty-five (45) days after the end of each Fiscal Quarter, Borrowers shall deliver to Lenders (i) the unaudited consolidated and consolidating balance sheets of Borrowers, as at the end of such Fiscal Quarter, and the related consolidated and consolidating statements of income and cash flows for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, (ii) a report in consolidated and consolidating form setting forth in comparative form the income and expenses for the current Fiscal Year (actual as available and projected for the remainder of the Fiscal Year) and the previous Fiscal Year, (iii) a report in consolidated and consolidating form setting forth in comparative form the income and expenses for the current Fiscal Year compared to (actual as available and projected for the remainder of the Fiscal Year) and the budget for the then-current Fiscal Year, (iv) a management report describing the operations and financial condition of Borrowers for the Fiscal Quarter then ended and the portion of the current Fiscal Year then elapsed and discussing the reasons for any significant variations from projections, (v) a calculation of all financial covenants provided for in ~~Article 9~~ Article 8, (vi) the certification of Borrowers’ Chief Financial Officer or Chief Executive Officer as to the compliance of such financial statements with GAAP (subject to year-end adjustments and notes, as applicable) and the absence of any Default or Event of Default (or, if any Default or Event of Default does exist, an explanation of Borrowers’ plans to address such matters), and (vii) such other information as Lenders may reasonably require upon written request.

(b) **Board Package.** Promptly upon the sending thereof, Borrowers shall deliver to Lenders a copy of the monthly information package, including financial statements and reporting for the preceding month, prepared by Borrowers for the members of Borrower’s Governing Body.

(c) **Year-End Audited Financial Statements.** As soon as available, and in any event within one hundred and twenty (120) days after the end of each Fiscal Year, Borrowers shall deliver to Lenders (i) the audited consolidated balance sheets of Borrowers, as at the end of such Fiscal Year, and the related consolidated and consolidating statements of income, owners’ equity and cash flow for such Fiscal Year, (ii) a report with respect to the consolidated financial statements from the Accountants and acceptable to Lenders, which report shall be prepared in accordance with

Statement of Auditing Standards No. 58 “Reports on Audited Financial Statements”, or the equivalent at the time, as applicable, and such report shall be “Unqualified” (as such term is defined in such Statement), and (iii) a schedule of the outstanding Debt of Borrowers describing in reasonable detail each such Debt issue or loan outstanding and the principal amount and amount of accrued and unpaid interest with respect to such Debt.

(d) **Accountants’ Reports.** Promptly upon receipt thereof, Borrowers shall deliver to Lenders copies of all reports submitted by the Accountants in connection with each annual, interim, or special audit or review of any type of the financial statements or related internal control systems of Borrowers made by the Accountants, including any comment letter submitted by the Accountants to management in connection with their services.

(e) **Projections and Operating Plan.** ~~As soon as available, and in any event no later than January 1 of each Fiscal Year,~~ Within thirty (30) days of the beginning of each calendar year, Borrowers shall deliver to Lenders a comprehensive business plan for such Fiscal Year, including (i) narrative as to strategy, (ii) month-by-month projections of Borrowers’ financial performance (including income statement, balance sheet, and cash flow statement), and (iii) an operating plan.

6.6 Additional Reporting Requirements.

(a) **Owner Communications.** Promptly upon the sending thereof, Borrowers shall deliver to Lenders a copy of each material statement, report, or notice sent to the holders of Borrowers’ Equity Interests in their capacities as such (unless Lenders are otherwise a party thereto or otherwise received such notice in another capacity).

(b) **SEC Filings.** Promptly upon the filing thereof, should such filings become applicable, Borrowers shall deliver to Lenders copies of all regular, periodic, and special reports that a Borrower files with the SEC or any successor thereto, or any national securities exchanges or the National Association of Securities Dealers.

(c) **Change in Accounting Policies.** Borrowers shall promptly notify Lenders in writing upon any material change in accounting policies or financial reporting practices on the part of a Borrower.

(d) **Notice to Lender Parties Upon Perceived Breach.** Borrowers shall give Lenders and Collateral Agent prompt written notice of any action or inaction by or on behalf of a Lender (in any capacity) or Collateral Agent (in any capacity) that Borrowers believe may be actionable against any Lender or Collateral Agent or a defense to payment of any or all Obligations for any reason, including, without limitation, commission of a tort or violation of any contractual duty or duty implied by law.

(e) **Notice of Litigation.** Borrowers shall give Lenders prompt written notice of any Proceeding of which a Borrower has Knowledge that is hereafter instituted or threatened in writing which, if adversely determined, could result in a judgment exceeding ~~\$100,000~~ \$2,000,000 or otherwise have could have a Material Adverse Effect.

(f) **Material Contracts and Customer Relationships.** Borrowers shall give Lenders prompt written notice of the termination, expiration without renewal, or breach (i) of any Material

Contract or (ii) of any other present or future customer contract or relationship or other material agreement, in each case, the termination, breach, or expiration of which could have a Material Adverse Effect.

(g) **Other Notices.** Borrowers shall promptly notify Lenders in writing if they learn of the occurrence of (i) any Default or Event of Default, together with a detailed statement of the steps being taken as a result thereof, or (ii) any other event that would be reasonably expected to have a Material Adverse Effect.

(h) **SBA Information.** Within sixty (60) days after the end of the Fiscal Year of Borrowers, Borrowers shall furnish or cause to be furnished to CCSD I and CCSD II information required by the SBA in form and substance reasonably requested by CCSD I or CCSD II concerning the economic impact of the Term Loans, including, information concerning full-time equivalent employees; federal, state, and local income taxes paid; gross revenue; source of revenue growth; after-tax profit or loss; and federal, state, and local income tax withholding. Borrowers shall furnish annually such information required on the forms provided by CCSD I and CCSD II. Borrowers shall execute the SBA forms required in this Agreement at the Closing and shall update these forms and execute such additional SBA forms as CCSD I and/or CCSD II may reasonably require.

(i) **SBA Certification of Uses of Term Loans.** Borrowers shall deliver to CCSD I and CCSD II, upon written request by Lenders not more than once in any Fiscal Quarter, a written report, certified as correct in all material respects by an authorized officer of each Borrower, verifying the purposes and amounts for which proceeds from the Term Loans were disbursed in a format to be provided by CCSD I and CCSD II. Borrowers shall supply to CCSD I and CCSD II such additional information and documents as Lenders request with respect to use of proceeds and will permit CCSD I and CCSD II to have access to any and all of Borrowers' records and information and personnel upon reasonable prior written notice and at reasonable times as CCSD I and/or CCSD II deems necessary to verify how proceeds have been or are being used, and to assure that the proceeds have been used for the specified purposes.

(j) **Management Updates.** Upon a Lender's written request, the Chief Executive Officer and Chief Operating Officer of each Borrower shall be reasonably available during business hours to discuss with and/or meet with such Lender's representative(s).

(k) **Other Information.** Upon a Lender's or Collateral Agent's written request, Borrowers shall provide such Lender or Collateral Agent with such additional reasonable information regarding the financial condition, Properties, operations, and prospects of Borrowers as they may reasonably require in connection with the Loan.

6.7 Taxes and Other Encumbrances. Borrowers shall timely make payment or deposit all material Taxes, remittances, assessments, or contributions required of them by Law, and execute and deliver to Lenders, on reasonable demand, appropriate certificates attesting to the payment or deposit thereof; provided, however, that Borrowers shall not be required to pay or discharge any such Tax, assessment, charge, or claim for as long as it is being diligently contested in good faith by proper proceedings and for which appropriate reserves are being maintained in accordance with GAAP.

6.8 Compliance with Laws. Borrowers shall comply fully with all Laws to which a Borrower or a Borrower's Properties are subject, except for violations which, if prosecuted and adversely determined, could not have a Material Adverse Effect.

6.9 Environmental Matters.

(a) **Compliance With Environmental Laws.** Borrowers shall (i) employ in connection with their operations, commercially reasonable technology and compliance procedures to maintain compliance with any applicable Environmental Laws, the violation of which could have a Material Adverse Effect, (ii) obtain and maintain any and all material Permits required by applicable Environmental Laws in connection with their operations, excepting only such Permits which could not by their absence cause a Material Adverse Effect, and (iii) dispose of any and all Hazardous Substances in accordance with Environmental Laws. Borrowers shall obtain all certificates required by law to be obtained by them from all contractors employed by them in connection with the transport or disposal of any Hazardous Substances.

(b) **Remedial Work.** If any investigation, site monitoring, containment, clean-up, removal, restoration, or other remedial work of any kind or nature with respect to Borrowers' Properties is required to be performed by a Borrower under any applicable Law or Order or by any non-governmental Person because of, or in connection with, the current or future presence, suspected presence, release, or suspected release of a Hazardous Substance in or into the air, soil, groundwater, surface water, or soil vapor at, on, about, under, or within any Borrower's Property (or any portion thereof), Borrowers shall with reasonable promptness commence and pursue completion of such remedial work in compliance with applicable Laws.

(c) **Indemnification of Lenders.** Borrowers jointly and severally agree to indemnify, defend (with counsel reasonably satisfactory to Lenders), and hold harmless Lenders and Collateral Agent against any loss, liability, claim, or expense, including reasonable attorneys' fees, that Lenders or Collateral Agent may incur as a result of the violation or alleged violation of any Environmental Law by a Borrower or with respect to any other violation of Environmental Laws with respect to any of Borrowers' Properties, except for any such losses, liabilities, claims or expenses resulting from the gross negligence or willful misconduct of any such Lender or Collateral Agent as determined by a court of competent jurisdiction. This covenant shall survive the repayment of the Term Loans and Lenders' assignment of the Term Loans.

6.10 Maintenance of Tangible Property. Borrowers shall maintain their tangible Property (and any Property leased by Borrowers) in good and workable condition (normal wear and tear excepted) at all times, subject to normal discards and replacements due to functional and useful-life obsolescence and Permitted Dispositions, and shall make all commercially reasonable repairs, replacements, additions, and improvements to their tangible Property to ensure that the business carried on in connection with their Property may be conducted in all material respects in the ordinary course of business.

6.11 Maintenance of IP. Borrowers shall maintain in effect and defend against infringement all IP that is material to Borrowers' business.

6.12 Banking Relationships. Borrowers shall maintain their deposit accounts only with FDIC-insured depository institutions ~~with which, and, upon request by~~ Collateral Agent ~~has entered into Control Agreements with respect to any deposit account other than an Excluded Account (as defined in the Security Agreement), subject to a Control Agreement.~~ If a depository bank or other Person provides lockbox services for the physical handling of deposited items, Collateral Agent shall have the right to obtain control of the lockbox items as well as any account(s) to which the items are deposited.

6.13 Landlord Waivers. ~~Prior to or within sixty (60) days after leasing any real property from any Person other than another Borrower at which books and records are stored or where Collateral with a value in excess of \$250,000 is located, Borrowers shall use commercially reasonable efforts to obtain from the landlord an agreement in form and substance reasonably satisfactory to Lenders pursuant to which the landlord waives or subordinates any right to any Encumbrance of the Collateral and otherwise provides Lenders with customary assurances as to access to the Collateral, the ongoing good standing of the lease, and related matters.~~ Reserved.

6.14 Insurance Requirements.

(a) **Types of Coverage.** Borrowers shall at all times maintain property insurance covering the Collateral provided by Borrowers for all risks of physical loss, liability insurance covering all of Borrowers' activities, fidelity insurance covering all of Borrowers' employees, officers, and directors, business interruption insurance covering Borrowers' continuity of operations, workers' compensation insurance, and such other types of coverage as Lenders may reasonably require, consistent with the types and amounts of coverage customary among well-capitalized participants in Borrowers' industry.

(b) **Terms of Coverage.** All insurance policies shall be issued by insurers of such financial standing, in such amounts, with such deductibles, and on other terms and conditions as Lenders may reasonably require, consistent with the types and amounts of coverage customary among well-capitalized participants in Borrowers' industry. All such policies of insurance shall name each Lender and/or Collateral Agent, as appropriate, as insured mortgagee, lender/loss payee, additional insured, or similar insured status and shall provide for not less than thirty (30) days' prior written notice to Lenders of intended cancellation or reduction in coverage. Borrowers shall furnish Lenders with certificates of insurance, copies of policies, or other evidence of compliance with the foregoing insurance provisions as Lenders may require. If Borrowers fail to maintain such insurance, Lenders and Collateral Agent shall have the right (but shall be under no obligation) to pay any of the premiums reasonably necessary to maintain or acquire such insurance and all such payments shall become part of the Obligations and be considered an advance at the highest rate of interest provided for in the Loan Documents. Borrowers expressly authorize their insurance carriers to pay proceeds of all insurance policies directly to Lenders and Collateral Agent, as applicable, and authorize Lenders and Collateral Agent, as applicable, as their attorney-in-fact to obtain, receive, indorse, deposit, and otherwise deal with claims under such policies and payments made pursuant thereto.

(c) **Application of Proceeds.** Absent the occurrence and continuation of an Event of Default, Lenders and Collateral Agent shall allow Borrowers the use of proceeds of insurance for claims of no more than \$100,000 per occurrence, (i) toward the repair or resolution of the matter giving rise to the claim, or (ii) toward the payment of the Term Loans.

6.15 Right of Inspection. Borrowers shall permit any officer, employee, agent, or consultant of any Lender or Collateral Agent to visit and inspect any of their Property, to examine their books of record and accounts and corporate records, to take copies and extracts from such books of record and accounts, and to discuss their affairs, finances, and accounts with their directors, managers, officers, accountants, and auditors, all at such reasonable times and upon reasonable advance written notice as often as they may reasonably desire (but, absent an Event of Default, no more frequently than two times each quarter). Without limiting Lenders' and Collateral Agent's right to obtain equitable relief as to any other appropriate right in this Agreement or in other Loan Documents, Borrowers agree that if Borrowers fail to allow such an inspection within five (5) Business Days in the absence of a Default or an Event of Default and within two (2) Business Days in the presence of a Default or Event of Default, the rights in this Section may be enforced by affirmative injunction and, to the extent the right to review records may be denied, the right may be enforced by a restraining order prohibiting the interference by Borrowers with any Lender's or Collateral Agent's exercise of their rights to review the records. All reasonable expenses of such inspections, including reasonable travel and lodging expenses, shall be paid by Borrowers (i) upon the occurrence and continuation of an Event of Default, in all cases, and (ii) otherwise, for one inspection by each of the respective Lenders per Fiscal Year.

6.16 Further Assurances. Borrowers shall promptly cure any manifest defects in the creation, issuance, or delivery of the Loan Documents. Upon request, Borrowers at their expense agree (i) to execute (or cause to be executed) and deliver to Lenders and/or Collateral Agent all such other and further documents, agreements, and instruments in compliance with the covenants and agreements applicable to them in the Loan Documents, (ii) to correct any manifest omissions in the Loan Documents, (iii) to state more fully the Obligations and agreements set out in any of the Loan Documents, (iv) to make any recordings, (v) to file any notices, or (vi) to obtain any consents, all as may be reasonably necessary or appropriate in connection therewith; in each case, provided, however, no such actions shall increase Borrowers' Obligations or diminish Borrowers' rights under the Loan Documents.

6.17 Indemnity; Expenses.

(a) **Indemnity Against Claims.** Borrowers agree to indemnify, defend (with counsel satisfactory to the indemnified party), and hold Lenders, Collateral Agent, and their Affiliates, employees, consultants, agents, and attorneys (the "**Indemnitees**") harmless from and against any and all Claims that may be imposed on, incurred by, or asserted against the Indemnitee as a result of Lenders or Collateral Agent being parties to this Agreement or the transactions consummated pursuant to this Agreement or the Loan Documents; provided, however, that Borrowers shall have no obligation to an Indemnitee hereunder with respect to Claims to the extent resulting from the gross negligence or willful misconduct of that Indemnitee as finally determined by a court of competent jurisdiction.

(b) **Payment of Expenses.** Upon written demand by a Lender, Borrowers shall reimburse Lenders and Collateral Agent for the following expenses:

- (i) all taxes that they may be required to pay because of the execution, delivery, filing, performance or enforcement of the Loan Documents or the Obligations, excepting taxes based upon the income of Lenders or franchise, excise, excess profits or similar tax on Lenders;
- (ii) all reasonable costs of the preparation of this Agreement and any other related documents and the administration of the Obligations (except for Lenders' usual overhead incurred in the acceptance and processing of payments, the routine review of financial statements, review of certifications, and reports);
- (iii) all reasonable costs of preserving, insuring, preparing for sale (whether by improvement, repair, or otherwise), or selling any Collateral securing the Obligations;
- (iv) the reasonable cost of the assessment of any Event of Default, the taking of any action in the enforcement of rights under the Loan Documents (whether or not involving litigation), and all court costs and other reasonable costs of collecting any of the Obligations;
- (v) all reasonable costs arising from any other litigation, investigation, or administrative proceeding (whether or not Lenders or Collateral Agent are parties thereto) that Lenders or Collateral Agent may incur as a result of the Obligations or as a result of their association with a Borrower, including, without limitation, expenses incurred in connection with a case or proceeding involving a Borrower under any Debtor Relief Laws; and
- (vi) with respect to any of the foregoing matters, the reasonable fees and expenses of Lenders' and Collateral Agent's attorneys.

(c) **Interest.** If Lenders or Collateral Agent pay any of the foregoing expenses described above in this Section and such expenses are not reimbursed by Borrowers as required herein, such expenses shall become a part of the Obligations and after demand therefor shall bear interest at the highest applicable rate then accruing on the outstanding balance of any portion of the Term Loans.

(d) **Survival.** This Section shall remain in full effect regardless of the full payment of the Obligations, the purported termination of this Agreement, the delivery of the executed original of this Agreement to Borrowers, the assignment of a Lender's rights under this Agreement, or the content or accuracy of any representation made by Borrowers to Lenders or Collateral Agent; provided, however, Lenders may terminate this Section by executing and delivering to Borrowers a written instrument of termination specifically referring to this Section.

6.18 Estoppel Letters. Borrowers covenant to provide Lenders or Collateral Agent, within ten (10) Business Days after written request, an estoppel letter stating (i) the balance of the Obligations, (ii) whether to Borrowers' Knowledge they have any defenses to payment of the Obligations, and (iii) the nature of any such defenses to payment of the Obligations. Such balance

as presented for confirmation and the nonexistence of defenses shall be presumed if Borrowers fail to respond to such a written request within the required period.

6.19 Board Rights.

(a) **Governing Body Communications.** Borrowers shall deliver to Lenders copies of all material notices and other material written information delivered to members of the Governing Body of a Borrower in their capacities as such. This obligation shall be deemed satisfied as to a Lender if a representative of such Lender is a member of the Governing Body of a Borrower and receives such information in that capacity.

(b) **Observation Right.** The Required Lenders shall be entitled to designate in writing from time to time a representative who may attend, in an observation capacity, all meetings of each Borrower's Board of Directors, Managers, or other Governing Body and all committees thereof. Each Borrower shall (i) provide each such observer the same notice of any meeting to which a director or other member of the Board of Directors or other Governing Body would be entitled, (ii) give each such observer at least the same prior written notice of any action proposed to be taken upon written consent by such body as would be due to notice a meeting thereof (and shall convene a meeting to discuss any such action if an observer so requests in writing prior to the written action becoming effective), and (iii) pay for reasonable travel and other expenses of each such observer. Additionally, if at any time no Lender has also designated a member of the Governing Body of i3 Verticals pursuant to the Warrants, the Required Lenders may appoint a second observer pursuant to this Section (the initial designee to the Governing Body of i3 Verticals is John C. Harrison and the initial observer is R. Burton Harvey).

(c) **Active Board.** The Governing Body of i3 Verticals shall meet at least quarterly with an agenda covering all topics customary for meetings of corporate boards of directors of privately held corporations whose Equity Interests are owned by parties with differing interests.

6.20 Additional Subsidiaries and Collateral.

(a) **Additional Subsidiaries.** In the event that, subsequent to the [Eleventh Amendment](#) Closing Date, any Person becomes a Subsidiary ([other than any Subsidiary that is \(i\) a non-wholly-owned Subsidiary to the extent that the Constituent Documents or other customary agreements with other equityholders do not permit such Subsidiary to be a Borrower or the minority equityholders thereof do not consent to such Subsidiary complying with this Section 6.20 after the Borrowers uses commercially reasonable efforts to obtain such consent and \(ii\) an Immaterial Subsidiary](#)), whether pursuant to formation, acquisition or otherwise, (x) Borrowers shall promptly notify Collateral Agent and Lenders thereof and (y) within 30 days (or such longer time as the Required Lenders may permit) after such Person becomes a Subsidiary, Borrowers shall cause such Subsidiary (i) to become a Borrower and to grant liens in favor of the Collateral Agent in all of its personal property by executing and delivering to Collateral Agent a supplement or amendment to the Security Agreement in form and substance reasonably satisfactory to the Collateral Agent, and authorizing and delivering, at the request of Collateral Agent, such UCC financing statements or similar instruments required by Collateral Agent to perfect the liens in favor of Collateral Agent and granted under any of the Loan Documents, and (ii) to deliver all such other documentation (including, without limitation, certified organizational documents, resolutions, lien searches and legal opinions)

and to take all such other actions as such Subsidiary would have been required to deliver and take pursuant to Section 4.1 if such Subsidiary had been a Borrower on the Eleventh Amendment Closing Date. In addition, within 30 days (or such longer time as the Required Lenders may permit) after the date any Person becomes a Subsidiary, Borrowers shall (i) pledge all of the Equity Interests of such Subsidiary to Collateral Agent as security for the Obligations by executing and delivering applicable documents in form and substance satisfactory to Collateral Agent, and (ii) deliver any original certificates evidencing such pledged Equity Interests to Collateral Agent, together with appropriate powers executed in blank.

(b) **Collateral.** Borrowers agree that, following the delivery of any collateral documents required to be executed and delivered by this Section, Collateral Agent shall have a valid and enforceable, perfected lien on the property required to be pledged pursuant to subsection (a) of this Section (to the extent that such lien can be perfected by execution, delivery and/or recording of the collateral documents or UCC financing statements, or possession of such collateral), free and clear of all Encumbrances other than Permitted Encumbrances. All actions to be taken pursuant to this Section shall be at the expense of Borrowers and shall be taken to the reasonable satisfaction of Collateral Agent.

6.21 Accrual of Dividends and Distributions. Borrowers shall, on a quarterly basis for each Fiscal Quarter, accrue dividends or distributions with respect to anticipated income tax distributions to be made on account of Borrowers' operations in such Fiscal Quarter. Borrowers acknowledge that such accruals will be used in the calculation of the Fixed Charge Coverage Ratio.

~~6.22 — Consents. In connection with a Permitted Acquisition, where the acquired entity has a third party payment processing contract with a processing provider that has generated revenue for such acquired entity in excess of \$500,000 for the twelve (12) calendar months prior to closing of such Permitted Acquisition, the Borrower will use its commercially reasonable efforts to obtain a consent of such third party processor reasonably acceptable to the Collateral Agent on or before the closing date of such Permitted Acquisition or within sixty (60) days thereafter (provided, for the avoidance of doubt, that delivery to Collateral Agent of such consent shall not be a condition to the consummation of such Permitted Acquisition hereunder so long as the Required Lenders' designee to the Governing Body of i3 Verticals (which designee as of the date hereof is John C. Harrison) consents thereto and further provided that such sixty (60) day period may be extended by the Collateral Agent in its discretion if the Borrowers are exercising reasonable efforts to obtain such consent).~~

ARTICLE 7.

NEGATIVE COVENANTS

Borrowers jointly and severally covenant with Lenders and Collateral Agent as set forth in this Article.

7.1 Debts and Guaranties. Borrowers shall not incur, create, assume, or in any manner become or be liable with respect to any Debt or Guaranty, except the following:

- (i) the Obligations;
- (ii) any Senior Loan outstanding at the time of determination;

- (iii) Capital Leases and Debt secured by Purchase Money Security Interests in the aggregate principal amount not exceeding ~~\$500,000~~5,000,000;
- (iv) endorsements of negotiable or similar instruments for collection or deposit in the ordinary course of business;
- (v) Debt listed on Schedule 5.11;
- (vi) Debt secured by Permitted Encumbrances;
- (vii) Debt arising in the ordinary course of business in relation to performance, surety, statutory, or appeal bonds;
- ~~(viii) the Daily Loan;~~
- ~~(viii)~~ ~~(ix)~~ Subordinated Seller Debt;
- ~~(x)~~ ~~Anticipated Additional Debt;~~
- ~~(ix)~~ Existing Subordinated Debt, and any refinancings and extensions thereof; provided, that (i) the amount of such Debt is not increased at the time of such refinancing or extension, (ii) the material terms taken as a whole of such refinancing or extension are not materially less favorable in any material respect to the Borrowers and its Subsidiaries or the Lenders than the terms of the Existing Subordinated Debt, (iii) such refinanced or extended Debt is not subject to any amortization payments or any mandatory prepayments or sinking fund payments (other than in connection with a change of control, asset sale or event of loss and customary acceleration rights after an event of default) in each case, prior to the date that is six (6) months after the Term Loan Maturity Date, (iv) such refinanced or extended Debt shall not mature at any time on or prior to the date that is six (6) months after the Term Loan Maturity Date, and (v) such refinanced or extended Debt is unsecured and subordinated to the Term Loans on terms not materially less favorable in any material respect to the Collateral Agent and Lenders than the terms of the Existing Subordinated Debt;
- ~~(x)~~ ~~(xi)~~ Debt among Borrowers and Guaranties by Borrowers for obligations of other Borrowers;
- ~~(xii)~~ ~~Other Debt not exceeding \$100,000 in the aggregate; and~~
- ~~(xi)~~ ~~(xiii)~~ Contingent Consideration incurred in connection with a Permitted Acquisition.
- ~~(xii)~~ Debt in an aggregate amount not to exceed \$5,000,000 outstanding at any one time acquired in Permitted Acquisitions (“Acquired Indebtedness”), provided that such Acquired Indebtedness shall exist prior to the applicable Permitted Acquisition and shall not have been incurred in anticipation of the applicable Permitted Acquisition; and
- ~~(xiii)~~ other Debt not exceeding \$1,000,000 in the aggregate; and

7.2 Encumbrances. Borrowers shall not create, incur, assume, or permit to exist any Encumbrance on any of their Property (now owned or hereafter acquired) except for Permitted Encumbrances, and shall not undertake a commitment of any kind in favor of any Person requiring that (i) Borrowers refrain from encumbering any of their Property, or (ii) Borrowers grant an Encumbrance (other than a Permitted Encumbrance) in favor of any Person on Borrowers' Property under any circumstances, except in each case in favor of Persons as to Property in which such Persons have, or would be permitted to take, a Permitted Encumbrance. Borrowers shall not authorize, execute, or file under the UCC a financing statement that names a Borrower as debtor or sign any document authorizing any such filing, except to secure Permitted Encumbrances.

7.3 Distributions and Redemptions.

(a) **General Prohibition.** Except for Permitted Tax Distributions, Borrowers shall not, directly or indirectly, make or declare any distribution (in cash, securities, or any other form of Property) on, or other payment or distribution on account of, or set aside assets for a sinking or other similar fund for the purchase of, or redeem, purchase, retire, or otherwise acquire, any Equity Interests in a Borrower.

(b) **Permitted Tax Distributions.** For any period during which a Borrower is taxed as a partnership under the IRC, such Borrower may pay to its owners, in quarterly installments reflecting the best estimate of taxable income through the Fiscal Quarters then ended, cash distributions (the "**Permitted Tax Distributions**") as and to the extent permitted in this Section.

(1) Permitted Tax Distributions shall not exceed in the aggregate the product of (A) the applicable Borrower's total taxable income for such tax year to the date of such a distribution, multiplied by (B) the sum of (i) the maximum marginal federal income tax rate applicable to individuals for such tax year (after giving effect to the deductibility of state income taxes), (ii) the highest marginal state income tax rate applicable to the members of the applicable Borrower for such tax year, and (iii) the tax rate imposed by Section 1411 of the IRC (the so-called Net Investment Income tax) applicable to the members of the applicable Borrower for such tax year. Such distributions shall be paid (if at all) on or about the respective dates for payment of estimated tax payments by the members of the applicable Borrower.

(2) At least two (2) Business Days prior to issuing any Permitted Tax Distribution, the applicable Borrower shall deliver to Lenders a written notice of intended distribution and information sufficient that Lenders may review the amount and basis of any proposed distribution before it is paid. In the absence of an objection that such distribution is not a Permitted Tax Distribution from Lenders by the proposed payment date, the distribution may be paid as proposed.

(3) No distribution will be a Permitted Tax Distribution at any time that a Default or an Event of Default exists or the payment of any such distribution would cause a Default or an Event of Default.

(4) If the financial results of a Borrower are retroactively revised such that the Permitted Tax Distributions made with respect to a previous Fiscal Year exceeded that which

should have been paid if the accurate results had then been applied, Lenders may require that the excess distributions be withheld from subsequent Permitted Tax Distributions for such Borrower.

7.4 Sales and Leasebacks. Borrowers shall not enter into any arrangement with any Person by which a Borrower would sell or transfer any of its Property, whether now owned or hereafter acquired, and by which a Borrower shall then or thereafter rent or lease as lessee such Property or any part thereof or other Property that it intends to use for substantially the same purpose or purposes as the Property sold or transferred.

7.5 [Intentionally Omitted].

~~7.6—**Debt Investments.** Borrowers shall not acquire any debt obligation of any Person, except for: (i) deposit accounts created and maintained in accordance with this Agreement, (ii) those investments in existence as of the Closing Date, (iii) general obligations of, or obligations unconditionally guaranteed as to principal and interest by, the United States of America maturing within fifteen (15) months of the date of purchase, (iv) commercial paper having a rating of not less than “A-2” from Moody’s or Standard & Poor’s, (v) certificates of deposit and bankers acceptances issued by banking institutions with a minimum net worth of \$500,000,000 and having a letter of credit rating of not less than “A” from Moody’s or Standard & Poor’s, and (vi) obligations permitted under Section 7.10.~~

7.6 Investments. Borrowers shall not make any Investments, except:

- (a) Investments held in the form of cash or Cash Equivalents;
- (b) Investments existing as of the Eleventh Amendment Closing Date and set forth on Schedule 7.6;
- (c) Investment;

Investments in any Person that is a Borrower prior to giving effect to such

- (d) Investments by any Subsidiary that is not a Borrower in any other Subsidiary that is not a Borrower;

(e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

- (f) Guaranties permitted by Section 7.1;

- (g) Permitted Acquisitions;

(h) Residual Buyouts, provided that if any Residual Buyout involves a payment of \$2,000,000 or more, prior to the consummation of any such transaction, the Borrower shall provide a Pro Forma Compliance Certificate to the Collateral Agent which demonstrates compliance with the covenants set forth in Article 8 immediately prior and after giving effect to such Residual Buyout;

(i) Investments in an aggregate amount not to exceed \$2,000,000 acquired in connection with Permitted Acquisitions (“Acquired Investments”), provided that such Acquired Investments shall exist prior to the applicable Permitted Acquisition and shall not have been incurred in anticipation of the applicable Permitted Acquisitions;

(j) earnest money required in connection with Permitted Acquisitions;

(k) Investments in non-wholly owned Subsidiaries and joint ventures, in each case, which are not Borrowers, in an aggregate amount (as of the date any such Investment is made) not to exceed 7.5% of consolidated total assets of the Borrowers and their Subsidiaries (determined as of the last day for the most recently ended four Fiscal Quarter period for which financial statements have been delivered pursuant to Section 6.5(a) or 6.5(c)); and

(l) Investments of a nature not contemplated in the foregoing clauses in an amount not to exceed \$2,500,000 in the aggregate at any time outstanding.

7.7 Issuance of Equity. Borrowers shall not issue additional Equity Interests other than Permitted Equity.

7.8 Mergers and Consolidations. Borrowers shall not merge, consolidate, or otherwise reorganize or recapitalize, or enter into any agreement to do so, (a) except that so long as no Default exists or would result therefrom, (i) a Borrower may merge or consolidate with any of its Subsidiaries provided that the Borrower is the continuing or surviving Person, (ii) any Subsidiary may merge or consolidate with any other Subsidiary provided that if a Borrower is a party to such transaction, the continuing or surviving Person is a Borrower, (iii) the Borrower or any Subsidiary may merge with any other Person in connection with a Permitted Acquisition provided that (x) if the Borrower is a party to such transaction, the Borrower is the continuing or surviving Person and (y) if a Borrower is a party to such transaction, such Borrower is the surviving Person and (iv) any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up, as applicable, could not have a Material Adverse Effect and (b) the Borrowers may consummate the Up-C Restructuring. Notwithstanding the foregoing, the Borrowers acknowledge that the foregoing consent to the Up-C Restructuring is provided by Lenders only in their capacity as lenders to Borrowers and shall not constitute a waiver by the Collateral Agent, any Lender, or their Affiliates of any rights held by such Person as the holder of an Equity Interest in i3 Verticals, including any approval rights under i3 Verticals’ Constituent Documents.

7.9 Reserved.

~~7.8 Mergers and Consolidations.~~ Borrowers shall not merge, consolidate, or otherwise reorganize or recapitalize, or enter into any agreement to do so:

~~7.9 Asset Acquisitions.~~ Borrowers shall not acquire a material part of a Person's assets or of the assets constituting a portfolio, line of business, business location, or other business unit operated by a Person, except for Permitted Acquisitions or a Residual Buyout.

~~7.10 Loans to Others.~~ Borrowers shall not extend any loans to any other Persons in an amount exceeding \$10,000 to any single Person or \$25,000 in the aggregate.

7.10 7.11 Disposition of Assets. Borrowers shall not sell, transfer, lease, license, or

otherwise dispose of any of their assets, except for ~~the sale of inventory in the ordinary course of business and~~(i) Permitted Dispositions ~~(Lenders shall promptly upon written request issue appropriate releases of Equipment to facilitate Permitted Dispositions);~~and (ii) other Dispositions so long as (i) at least 75% of the consideration paid in connection therewith shall be cash or Cash Equivalents paid contemporaneously with consummation of the transaction and shall be in an amount not less than the fair market value (as reasonably determined in good faith by the Borrowers) of the property disposed of, (ii) such transaction does not involve the sale or other disposition of a minority Equity Interest in any Subsidiary, (iii) such transaction does not involve a sale or other disposition of receivables other than receivables owned by or attributable to other property concurrently being disposed of in a transaction otherwise permitted under this Section 7.10, (v) the Borrowers would be in compliance with the financial covenants set forth in Article 8 recomputed as of the end of the period of the four Fiscal Quarters most recently ended for which the Borrower has delivered financial statements pursuant to Section 6.5(a) or (c) after giving effect to such Disposition on a Pro Forma Basis, (vi) no Default or Event of Default shall exist or result therefrom, and (vii) the aggregate net book value of all of the assets sold or otherwise disposed of by the Borrower and their Subsidiaries in all such transactions occurring after the Eleventh Amendment Closing Date shall not exceed \$5,000,000.

7.11 7.12 Consignments. Borrowers shall not accept possession of any material Property on consignment from other Persons and shall not place any material Property on consignment with other Persons.

7.12 7.13 Location of Property. Borrowers shall not allow a material part of their Property to be located other than at their places of business, except for repairs, demonstrations, and similar temporary purposes in the ordinary course of business.

~~7.14 Ownership of Equity Interests.~~ Borrowers shall not acquire any Equity Interests, except for Permitted Acquisitions.

~~7.15 — Partnerships. Borrowers shall not enter into any partnership, joint venture, or similar arrangement by which a Borrower would become liable for the obligations of another person.~~

7.13 7.16 Place of Business. Except upon thirty (30) days prior written notice, no Borrower shall relocate its chief executive office or principal place of business from the address for notices specified herein. In no event shall a Borrower relocate its chief executive office or principal place of business to a location outside the continental United States.

7.14 7.17 Adverse Action With Respect to Plans. Borrowers shall not take any action to terminate any Plan, which action could reasonably result in a material liability of Borrowers to any Person.

~~7.15 Partnerships. Borrowers shall not enter into any partnership, joint venture, or similar arrangement by which a Borrower would become liable for the obligations of another person, except as otherwise permitted by Section 7.1 or Section 7.6.~~

7.16 7.18 Hedge Agreements. Borrowers shall not enter into any Hedge Agreements absent Lenders' approval, in their sole and absolute discretion.

7.17 7.19 Restrictive Agreements. Except for the Senior Subordination Agreement, Borrowers shall not enter into any agreement that restricts prepayments under this Agreement, limits Borrowers' ability to provide the Collateral required hereunder, or otherwise restricts in any material respect Borrowers' ability to freely perform under the Loan Documents (other than agreements with prohibits rendered not effective pursuant to the Uniform Commercial Code or any other applicable Law (including Debtor Relief Laws) or principles of equity).

7.18 7.20 Transactions With Affiliates. Borrowers shall not enter into any transaction with any Affiliate that is not also a Borrower (including, without limitation, any management contract or other fee arrangement), except for reasonable and customary compensation, benefits, and indemnities for Affiliates in their capacities as members, managers, officers, directors, or employees of Borrowers, and except for the performance within the contractual terms, reasonable extensions, and continuations of Affiliate agreements disclosed on Schedule 5.31.

7.19 7.21 Payments to Subordinated Creditors. Borrowers shall not make any payment, transfer of collateral, or other transfer to or for the benefit of any creditor of Borrowers whose obligations are junior in right of payment to the Obligations, except (i) to the extent that Lenders and Collateral Agent have otherwise agreed in a written subordination agreement., and (ii) Borrowers may pay the proceeds of the Qualifying IPO or other Equity Issuances to the holders of the Existing Subordinated Debt to the extent required by Section 2.05(b)(vi)(C) of the Senior Loan Agreement or as otherwise permitted by the Senior Credit Agreement, in each case as in effect on the Eleventh Amendment Closing Date), and (iii) (X) commencing January 1, 2019, prior to the consummation of a Qualifying IPO, Borrowers may make payments with respect to the Existing Subordinated Debt so long as (A) no Default or Event of Default exists or would result therefrom, (B) after giving effect thereto, (x) Borrowers would be in compliance with the financial covenants set forth in Article 8 on a Pro Forma Basis and (y) the Total Leverage Ratio, determined on a Pro Forma Basis after giving effect to such payment, would be at least 0.50x less than the Total Leverage Ratio then permitted by Section 8.2, (C) after giving effect thereto, Borrowers shall have at least \$25,000,000

of Liquidity, (D) the aggregate amount so paid during the term of this Agreement shall not exceed \$8,000,000, and (E) the remaining holders of Existing Subordinated Debt that are not paid in full with the proceeds of such payment, shall have agreed to extend the maturity of the Existing Subordinated Debt remaining after such payment to a date later than the Term Loan Maturity Date, or (Y) Borrowers may refinance or extend the Existing Subordinated Debt as permitted by Section 7.1(ix).

7.20 7.22 Constituent Document Amendments. No Borrower shall amend its Constituent Documents ~~other than to change its agent for service of process or to make other administrative changes that are completely immaterial to the economic and governance rights and duties of owners or secured parties interested in the related Equity Interests~~ in a manner adverse to the Lenders; provided, that for the avoidance of doubt, amendments to the Constituent Documents of i3 Verticals in connection with the Up-C Restructuring shall be deemed not to be adverse to the Lenders, so long as, such amendments are acceptable to Collateral Agent in its reasonable discretion.

7.21 7.23 Name. No Borrower shall change its name or do business under any additional name without having first provided Lenders ~~thirtyten~~ (3010) days prior written notice.

7.22 7.24 Fiscal Year. No Borrower shall change its Fiscal Year without the consent of Collateral Agent (not to be unreasonably withheld, conditioned or delayed).

7.23 7.25 Accounting Methods. Borrowers shall not make any material change in their accounting practices or methods, except as may be permitted by GAAP.

7.24 7.26 Change of Management. ~~There shall be no change of management such that either Greg Daily ceases to serve as CEO of i3 Verticals or Clay Whitson ceases to serve as CFO of i3 Verticals with their traditional scope of duties in all material respects, unless within ninety (90) days thereafter, Borrowers have replaced such officer with another officer approved in writing by~~ Prior to a Qualifying IPO, Greg Daily shall cease to be available to the Borrower to provide substantially similar services to those provided by him to the Borrowers as of the Eleventh Amendment Closing Date, whether by reason of death, long-term disability, retirement, termination of employment or otherwise, and the Borrowers do not, within one hundred twenty (120) days (or such longer period as the Collateral Agent may agree in its sole discretion) of the date that he ceases to be so available, replace his services in a manner reasonably acceptable to the Required Lenders, in their reasonable discretion.

7.25 7.27 [Intentionally Omitted].

~~**7.28 Action Outside Ordinary Course.** No Borrower shall take any material action outside the ordinary course of its business.~~

7.26 [Intentionally Omitted.]

7.27 7.29 Activities Prohibited by SBA. No Borrower will engage in any activities or use, directly or indirectly, the proceeds of the Term Loans for any purpose for which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations promulgated thereunder, including 13 C.F.R. §107. Without obtaining the prior written approval of Lenders, no Borrower shall change its business activity from the Borrowers' Line of Business to a

business activity which a small business investment company is prohibited from providing funds by the SBIC Act and the regulations thereunder.

7.28 7-30 No Amendment or Modification of Subordination Provisions. Borrowers shall not permit or agree to any amendments or modifications of any nature whatsoever to Section 3 of the Master Note Purchase Agreement among i3 Verticals and the several purchasers from time to time parties thereto, dated effective February 14, 2014.

7.29 7-31 Conditions to Payment of Contingent Consideration and Seller Subordinated Debt; Liquidity Requirement. Borrowers shall not make any payments which constitute Contingent Consideration, nor shall Borrowers make any scheduled payment due on Subordinated Seller Debt unless (i) no Default or Event of Default then exists, and (ii) immediately after and assuming any such payment has been made, Borrowers have cash or Cash Equivalents equal to at least \$2,500,000. In addition, Borrowers shall not make or allow any prepayment of any amounts due under any Subordinated Seller Debt.

7.30 7-32 No Redemption. i3 Verticals shall not redeem any Class A Units held by First Avenue Partners II, L.P., First Avenue-ETC Partners, L.P. or Front Street Equities pursuant to Section 11.1 of i3 Verticals' Operating Agreement or otherwise.

**ARTICLE 8.
FINANCIAL COVENANTS**

8.1 Minimum Fixed Charge Coverage Ratio. As of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ending on March 31, 2015, Borrowers will maintain a Fixed Charge Coverage Ratio of not less than ~~1.20~~1.50 to 1.00.

8.2 Maximum Total Leverage Ratio. As of the end of each Fiscal Quarter, ~~(i) commencing with the Fiscal Quarter ending on March 31, 2015, Borrowers will maintain a Total Leverage Ratio of not greater than 4.25 to 1.00, (ii) commencing with the Fiscal Quarter ending on June 30, 2016, Borrowers will maintain a Total Leverage Ratio of not greater than 4.75 to 1.00, (iii) commencing with the Fiscal Quarter ending on December 31, 2016, Borrowers will maintain a Total Leverage Ratio of not greater than 4.5 to 1.00, and (iv) commencing with the Fiscal Quarter ending on March 31, 2019, Borrowers will maintain a Total Leverage Ratio of not greater than 4.25 to 1.00;~~ as of the end of any Fiscal Quarter of the Borrower set forth below to be greater than the ratio corresponding to such Fiscal Quarter:

<u>Calendar Year</u>	<u>March 31</u>	<u>June 30</u>	<u>September 30</u>	<u>December 31</u>
<u>2017</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>4.75 to 1.0</u>
<u>2018</u>	<u>4.75 to 1.0</u>	<u>4.75 to 1.0</u>	<u>4.75 to 1.0</u>	<u>4.50 to 1.0</u>
<u>2019</u>	<u>4.50 to 1.0</u>	<u>4.50 to 1.0</u>	<u>4.50 to 1.0</u>	<u>4.50 to 1.0</u>
<u>2020</u>	<u>4.50 to 1.0</u>	<u>4.25 to 1.0</u>	<u>4.25 to 1.0</u>	<u>4.25 to 1.0</u>
<u>thereafter</u>	<u>4.25 to 1.0</u>	<u>4.25 to 1.0</u>	<u>4.25 to 1.0</u>	<u>4.25 to 1.0</u>

; provided, that for each of the four (4) Fiscal Quarters immediately following a Qualified Acquisition, commencing with the Fiscal Quarter in which such Qualified Acquisition was consummated (such period of increase, the "Leverage Increase Period"), the required ratio set forth above shall be increased by up to 0.25; provided, further that (i) there shall be no more than three Leverage Increase Periods during the term of this Agreement, (ii) there shall be no more than one Leverage Increase Period in effect at any time, (iii) the maximum Total Leverage Ratio shall revert to the then-permitted ratio (without giving effect to such increase) for at least two (2) Fiscal Quarters before a new Leverage Increase Period may be invoked.

8.3 Financial Definitions. As used in this Agreement, the following capitalized terms have the meanings set forth below (all calculations are to be made in accordance with GAAP unless otherwise noted and all calculations are to be made for Borrowers on a consolidated basis):

~~"Acquisition EBITDA" shall mean EBITDA, with respect to any Permitted Acquisition, calculated as follows: (i) for the Fiscal Quarter in which the Permitted Acquisition occurs, an agreed upon pro forma annual EBITDA between Borrowers and Lenders, (ii) for the first full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 4, (iii) for the second full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 2, (iii) for the third full Fiscal Quarter after any Permitted Acquisition is consummated, actual EBITDA of the acquired entity times 1.33, and (iv) for each quarter thereafter, actual trailing twelve-month EBITDA of the acquired entity;~~

~~"Adjusted EBITDA" shall mean the sum of EBITDA plus Acquisition EBITDA, less any actual EBITDA of a Permitted Acquisition from the close of Acquisition through the end of each of the next four (4) Fiscal Quarters reflected in Borrowers' financial statements, minus EBITDA of any business, property or asset sold, transferred or otherwise disposed of during such period, plus or minus any adjustments mutually agreed upon by Borrowers, Lenders, and the Senior Lender;~~

"Capital Expenditures" means, for any period, the aggregate cost of all capital assets acquired by any Borrower during such period (including gross leases to be capitalized under GAAP and leasehold improvements, but excluding costs of any capital assets acquired as a part of a Permitted Acquisition), as otherwise as determined in accordance with GAAP.

"EBITDA" means, for any period ~~of determination and without duplication, the sum of,~~ for the Borrowers and their Subsidiaries on a consolidated basis, an amount equal to (a) consolidated net income for such period plus (b) the following to the extent deducted in calculating such consolidated net income ~~of Borrowers for such period (computed without regard to any extraordinary items of gain or loss), plus to the extent included in the calculation of:~~ (i) consolidated ~~net income~~ interest charges for such period, (ii) the ~~sum of (A) interest expense, (B) income tax expense determined in accordance with GAAP, (C) depreciation and amortization determined in accordance with GAAP, (D) all other non-cash charges determined in accordance with GAAP acceptable to the Lenders, (E) other one-time~~ provision for federal, state, local, foreign income, franchise, value added, sales or other taxes payable for such period, (iii) depreciation and amortization expense for such period, (iv) to the extent not capitalized, non-recurring transaction expenses incurred after the Eleventh Amendment Closing Date in connection with the consummation of Permitted Acquisitions,

whether or not consummated, in an aggregate amount not to exceed 5% of EBITDA (determined without giving effect to this add back) for such period, (v) to the extent not capitalized, M&A advisor fees and broker's fees, in each case, incurred in connection with Permitted Acquisitions, (vi) legal expenses incurred in connection with assessing claims related to Acquisitions that closed prior to the Eleventh Amendment Closing Date and amounts incurred in connection with the settlement of such claims; provided, that the aggregate amount added back pursuant to this clause (vi) during the term of this Agreement shall not exceed \$1,000,000, (vii) the Expert Auto Repair Amount; provided that the Expert Auto Repair Amount shall only be added back in the one Fiscal Quarter in which the Expert Auto Repair Amount is recognized on the Borrower's financial statements, (viii) to the extent not capitalized, non-recurring income transaction fees and expenses paid during such period (including Contingent Consideration), but only to the extent approved by the Lenders in writing, and (f) other adjustments to EBITDA mutually agreed to by Lenders, the Senior Lender and Borrowers. EBITDA shall be calculated for any Fiscal Quarter, based on the trailing 12-month period incurred after the Eleventh Amendment Closing Date in connection with a Qualifying IPO, (ix) all financial advisory fees, accounting fees, legal fees and other similar advisory and consulting fees and related out of pocket expenses incurred as a result of the entering into and funding of the Senior Loans on the Eleventh Amendment Closing Date, (x) any expense to the extent that a corresponding amount is received during such period in cash by the Borrowers or their Subsidiaries under any agreement providing for indemnification or reimbursement of such expenses, (xii) any expense with respect to liability or casualty events or business interruption to the extent reimbursed or advanced to the Borrowers or their Subsidiaries during such period by third party insurance, (xii) pro forma "run rate" cost savings, operating expense reductions and synergies related to Permitted Acquisitions, Dispositions and other specified transactions, restructurings, cost savings initiatives and other initiatives that are reasonably identified and projected by the Borrowers to result from actions that have been taken or with respect to which substantial steps have been taken (in the good faith determination of the Borrowers) within 12 months after the relevant transaction; provided that the aggregate amount added back pursuant to this clause (xii) shall not exceed 5% of EBITDA (determined without giving effect to this add back).

~~Borrowers, Collateral Agent, and Lenders agree that, for the Fiscal Quarter, if any, in which the Expert Auto Repair Amount (as defined below) is recognized by Borrowers in their relevant financial statements, the Expert Auto Repair Amount shall be added back to all calculations of EBITDA. For purposes of this Section, the "Expert Auto Repair Amount" is defined as the amount, which shall not exceed \$1,000,000.00, which is utilized by Borrowers in connection with the settlement of that certain class action lawsuit styled "Expert Auto Repair, Inc. et al. vs. Merchant Processing Solutions, LLC, et al." The add back for calculating EBITDA described in this Section shall be applicable only for the quarter in which the Expert Auto Repair Amount is recognized in Borrowers' financial statements.~~

"Fixed Charge Coverage Ratio" shall mean the ratio at any time of determination and for any period, (i) the sum of (A) Adjusted EBITDA for the twelve (12) month period then ended, minus (B) all unfinanced Capital Expenditures computed on a trailing twelve-month basis, minus (C) dividends or distributions accrued for income tax expenses for such period, minus (D) income tax expenses for such period (including Permitted Tax Distributions), divided by (ii) the sum of (A) actual cash interest payments paid in such period and (B) the current portion of all scheduled principal

payments on Funded Debt ~~coming due in the twelve (12) fiscal months immediately following the end of such~~ during such period. The amount of income tax expense, all dividends or distributions accrued for income tax expense, and cash interest payments will be computed on a trailing twelve-month basis.

“**Funded Debt**” means all Debt outstanding under the Senior Loan, together with any outstanding amounts under all Seller Notes.

“**Total Funded Debt**” means at any time of determination with duplication, all debt obligations of Borrowers including senior debt, subordinated debt, and Seller Notes, but excluding any debt obligations related to or included in Contingent Consideration.

“**Total Leverage Ratio**” means the ratio determined as of the end of any Fiscal Quarter of (i) all Total Funded Debt, to (ii) ~~Adjusted~~ EBITDA.

ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES

9.1 Events of Default. Any of the following events shall be an Event of Default under this Agreement:

(a) **Payments.** The failure of Borrowers to make any payment (i) of principal when due, or (ii) of interest or expenses included in the Obligations within five (5) days of when due.

(b) **Post-Closing Deliveries.** The failure of a Borrower to timely deliver any documents after the Closing Date as may be required in Exhibit 4.1.

(c) **Representations and Warranties.** The making of any representation or warranty by a Borrower or any other party in any Loan Document that was or is incorrect in any material respect as of the date thereof.

(d) **Negative Covenants.** The failure of any Borrower to comply with any of the requirements of ~~Article 8~~ Article 8 hereof; provided, however, as to any such failure that did not arise from an intentional act by any Borrower or any Borrower’s Affiliate and which is reasonably susceptible to being cured, the occurrence of such breach shall not constitute an Event of Default hereunder if such breach is fully cured within thirty (30) days (or ten (10) days, if such breach may be cured by the payment of a specific sum of money) after the earlier of any Borrower’s Knowledge of the facts giving rise thereto or Collateral Agent’s written notice thereof to Borrowers given in accordance with the provisions hereof.

(e) **Financial Covenants.** The failure of a Borrower to comply with any of the requirements of ~~Article 8~~ Article 8.

(f) **Reporting Requirements.** The failure of a Borrower or any other party to timely perform any covenant in the Loan Documents requiring the furnishing of notices, financial reports, or other information to Lenders.

(g) **Other Covenants.** The failure of a Borrower or any other party to observe or perform any covenant contained in any Loan Document, which covenant is not subject to any specific provision in this ~~Article 9~~[Article 9](#); ~~provided, however,~~ as to any such breach that is reasonably susceptible to being cured, the occurrence of such breach shall not constitute an Event of Default hereunder if such breach is fully cured within thirty (30) days (or ten (10) days, if such breach may be cured by the payment of a specific sum of money) after the earlier of a Borrower's Knowledge of the facts giving rise thereto or Lenders' written notice thereof to Borrowers given in accordance with the provisions of this Agreement.

(h) **Voluntary Insolvency Proceedings.** The commencement of an Insolvency Proceeding by or with the consent of a Borrower.

(i) **Involuntary Insolvency Proceedings.** The commencement of an Insolvency Proceeding against a Borrower or a ~~Borrower's~~[Borrower's](#) Property by any Person other than a Borrower or an Affiliate of Borrower, if not dismissed within sixty (60) days.

~~(j) **Discontinuance of Business.** A Borrower's dissolution or discontinuance of its usual business.~~

(j) ~~(*)~~ **Senior Loan Default.** The occurrence of an "Event of Default" under a Senior Loan.

(k) ~~(*)~~ **Default on Other Indebtedness.** A Borrower's failure to make any payment when due (after the expiration of any applicable notice and cure periods) on any Debt not otherwise specified in this ~~Article 9~~[Article 9](#), or the lawful acceleration of any such other Debt, but only as to Debt in excess of ~~\$50,000~~[5,000,000](#) in the aggregate.

~~(m) **Undischarged Judgments.** Existence of a judgment or judgments (i) for the payment of money in excess of \$250,000 in the aggregate awarded by any Governmental Authority against a Borrower or against a Borrower's Property which is not paid, discharged, or bonded within thirty (30) days after entry or, if later, when stipulated for payment, or (ii) awarding equitable relief likely to have a Material Adverse Effect.~~

(l) **Undischarged Judgments.** There is entered against any Borrower or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding \$5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of the claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there

is a period of ten consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

(m) ~~(+)~~ **Insolvency.** Borrowers are no longer Solvent on a consolidated basis.

(n) ~~(+)~~ **Attachment.** The issuance of an attachment or other process against any material portion of the Property of a Borrower, unless removed (by bond or otherwise) within ~~twenty~~**thirty** (~~20~~**30**) days.

(o) ~~(+)~~ **Insurance.** A Borrower's failure to maintain any insurance required in any Loan Document.

(p) ~~(+)~~ **Contest.** A Borrower's challenge or contest of the validity or enforceability of any Loan Document or the validity, priority, or perfection of any Encumbrance arising under any Loan Document in any action, suit, or proceeding.

(q) ~~(+)~~ **Change of Control.** The occurrence of a Change of Control.

~~(s) **Material Adverse Change.** The occurrence of a Material Adverse Change.~~

9.2 Remedies. Upon the occurrence and continuation of an Event of Default, Lenders and Collateral Agent, may exercise the following remedies:

(a) **Default Rate.** Unless affirmatively waived in writing by Lenders, Interest shall accrue on the Obligations at the Default Rate, whether or not Collateral Agent or any Lender issues a notice of such escalation.

(b) **Acceleration.** Collateral Agent may declare the entire principal amount of all Obligations then outstanding, including interest accrued thereon, to be immediately due and payable without presentment, demand, protest, notice of protest or dishonor, or other notice of default of any kind, all of which are hereby expressly waived.

(c) **Receivership.** Collateral Agent may apply for and have a receiver appointed by a state or federal court of competent jurisdiction to manage, operate, protect and/or preserve any of Borrowers' business or assets, to sell or dispose of any of the Borrowers' business or assets, and/or to collect all revenues and profits thereof, and apply the same as required in this Agreement. Borrowers hereby irrevocably consent to and waive any right to object to or otherwise contest the appointment of a receiver as provided above. Borrowers (i) grant such waiver and consent knowingly after having discussed the implications thereof with counsel, (ii) acknowledge that (A) the uncontested right to have a receiver appointed for the foregoing purposes is considered essential by Collateral Agent in connection with the enforcement of its rights and remedies hereunder and under the other Loan Documents and (B) the availability of such appointment as a remedy under the foregoing circumstances was a material factor in inducing Lenders to extend the Loans, and (iii) agree to enter into any and all stipulations in any legal actions, or agreements or other instruments

in connection with the foregoing, and to cooperate fully with Lenders in connection with the assumption and exercise of control by any receiver.

(d) **Collateral.** Collateral Agent may exercise any remedy regarding its security interest or lien in Collateral securing the Obligations.

(e) **Other Remedies.** Lenders and Collateral Agent shall be free to exercise any other remedy that may be available to them under the Loan Documents or applicable Law. No right, power, or remedy conferred upon or reserved to Collateral Agent or Lenders by this Agreement or any of the other Loan Documents is intended to be exclusive of any other right, power, or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to any other right, power, and remedy given hereunder, under any of the other Loan Documents or now or hereafter existing at law, in equity, or by statute.

(f) **No Waivers.** No delay or omission by Collateral Agent or any Lender to exercise any right, power, or remedy accruing upon the occurrence of any Event of Default shall exhaust or impair any such right, power, or remedy or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every right, power, and remedy given by this Agreement and the other Loan Documents to Collateral Agent and Lenders may be exercised from time to time and as often as may be deemed expedient by Collateral Agent and Lenders.

(g) **Application of Proceeds.** All proceeds from the exercise of remedies shall be applied first to expenses due to Collateral Agent and Lenders (*pro rata* among them based on the amounts of such expenses); second, to interest include in the Obligations (allocated Pro Rata); third, to principal of the Obligations (allocated Pro Rata); and fourth, to Borrowers or such other Person who is lawfully entitled thereto.

ARTICLE 10.

COLLATERAL AGENT AND OTHER INTER-LENDER MATTERS

10.1 Appointment and Authority. Each Lender hereby irrevocably appoints CCSD I to act on its behalf as Collateral Agent hereunder and under the other Loan Documents and authorizes Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of Collateral Agent and Lenders, and no Borrower shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

10.2 Rights as a Lender. The Person serving as Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Collateral Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with any Borrower or any Affiliate thereof

as if such Person were not Collateral Agent hereunder and without any duty to account therefor to Lenders, provided that the activity is not otherwise prohibited by the Loan Documents.

10.3 Exculpatory Provisions.

(a) **No Implied Duties.** Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Collateral Agent:

- (i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;
- (ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Collateral Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Collateral Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law; and
- (iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Collateral Agent or any of its Affiliates in any capacity.

(b) **Standard of Care.** Collateral Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Collateral Agent shall believe in good faith shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Collateral Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to Collateral Agent in writing by a Borrower or a Lender.

(c) **No Duty of Inquiry.** Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, or representation made in or in connection with this Agreement or any other Loan Document; (ii) the contents of any certificate, report, or other document delivered hereunder or thereunder or in connection herewith or therewith; (iii) the performance or observance of any of the covenants, agreements, or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default; (iv) the validity, enforceability, effectiveness, or genuineness of this Agreement, any other Loan Document or any

other agreement, instrument or document; or (v) the satisfaction of any condition set forth in any Loan Document, other than to, upon request, confirm receipt of items expressly required to be delivered to Collateral Agent.

10.4 Reliance by Collateral Agent. Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent, or otherwise authenticated by the proper Person. Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, Collateral Agent may presume that such condition is satisfactory to such Lender, unless Collateral Agent shall have received notice to the contrary from such Lender or prior to the making of such Loan. Collateral Agent may consult with legal counsel (who may be counsel for a Borrower), independent accountants, and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants, or experts.

10.5 Delegation of Duties. Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Collateral Agent. Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective employees and agents. The exculpatory provisions of this Article shall apply to any such sub-agent and to the employees and agents of Collateral Agent and any such sub-agent. Collateral Agent shall not be responsible for the negligence or misconduct of any sub-agents, except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Collateral Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.6 Resignation of Collateral Agent.

(a) **Resignation.** Collateral Agent may at any time give notice of its resignation to Lenders and Borrowers. Upon receipt of any such notice of resignation, the Required Lenders (determined for this purpose only without including Collateral Agent as a Lender) shall have the right to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders as so determined), then the retiring Collateral Agent may (but shall not be obligated to), on behalf of Lenders, appoint a successor Collateral Agent that is a national bank with offices in Nashville, Tennessee. Such resignation shall become effective upon the appointment of, and acceptance of appointment by, a successor Collateral Agent.

(b) **Continued Indemnity.** After the retiring or removed Collateral ~~Agent's~~Agent's resignation, the provisions of this Article and the indemnity provisions of this Agreement and other Loan Documents shall continue in effect for the benefit of such retiring or removed Collateral Agent, its sub-agents, and their respective employees and agents respecting any actions taken or omitted

to be taken by any of them while the retiring or removed Collateral Agent was acting as Collateral Agent.

10.7 Replacement of Collateral Agent in Certain Circumstances. If (i) CCSD I or CCSD II assigns or sells a participation interest (except to the other) in any of the Term Loan held by it as of the Closing Date, and (ii) Harbert has not, as of the time of such assignment or sale, assigned or sold a participation interest in the Term Loan held by it as of the Closing Date, then Harbert may within thirty (30) days by notice to CCSD I and CCSD II and Borrowers remove CCSD I as Collateral Agent and substitute Harbert as Collateral Agent. As the former Collateral Agent, CCSD I would continue to have the residual rights of indemnity that it would have had if it had resigned.

10.8 Non-Reliance on Collateral Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon Collateral Agent or any other Lender or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Collateral Agent or any other Lender or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.9 Collateral Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law, Collateral Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Collateral Agent shall have made any demand on Borrowers) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders and Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Collateral Agent and their respective agents and counsel and all other amounts due Lenders and Collateral Agent under the Loan Documents that are allowed in such judicial proceeding); and

(ii) to collect and receive any monies or other Property payable or deliverable on any such claims and to distribute the same; and

any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Collateral Agent and, in the event that Collateral Agent shall consent to the making of such payments directly to Lenders, to pay to Collateral

Agent any amount due for the reasonable compensation, expenses, disbursements, and advances of Collateral Agent and its agents and counsel, and any other amounts due Collateral Agent under the Loan Documents.

10.10 Exercise of Remedies. Collateral Agent shall proceed as set forth in this Section regarding the exercise of remedies upon an Event of Default.

(a) Unanimous Approval Absent Change. If, at the time of determination, Harbert and CCSD I/CCSD II are equal owners of the entire legal and beneficial interests in the Term Loans, Collateral Agent shall exercise no remedy under any Loan Document without the prior approval of the Required Lenders.

(b) Collateral Agent Judgment if Change. If, at the time of determination, Harbert and CCSD I/CCSD II are not equal owners of the entire legal and beneficial interests in the Term Loans, Collateral Agent shall exercise such remedies and refrain from the exercise of such remedies as it may deem appropriate, and may seek the approval of Lenders on such matters as Collateral Agent may determine.

(c) Reasonable Advice to Lenders. Collateral Agent shall in all cases keep Lenders reasonably apprised of Collateral ~~Agent's~~ Agent's actions in the enforcement of remedies and, to the extent circumstances reasonably permit, shall consult with Lenders regarding such enforcement.

10.11 Administrative Collateral Matters.

(a) **Authority to Release.** Lenders irrevocably authorize Collateral Agent, at its option and in its discretion:

- (i) to release any Encumbrance on any Property granted to or held by Collateral Agent under any Loan Document (x) upon termination of all commitments and payment in full of all Obligations (other than contingent indemnification obligations), (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents, or (z) if approved, authorized, or ratified in writing by the Required Lenders;
- (ii) to subordinate any Encumbrance on any Property granted to or held by Collateral Agent under any Loan Document to the holder of any Encumbrance on such Property that is permitted by this Agreement; and
- (iii) to release a Borrower from its liability for the Obligations if such Person ceases to be an Affiliate of the remaining Borrower(s) as a result of a transaction permitted under the Loan Documents.

(b) **Confirmations.** Upon request by Collateral Agent at any time, the Required Lenders will confirm in writing Collateral ~~Agent's~~ Agent's authority to release or subordinate its interest in particular types or items of Property.

10.12 No Duty to Monitor Collateral. Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value, or collectability of the Collateral, the existence, priority, or perfection of Collateral ~~Agent's~~ Agent's Encumbrance thereon, or any certificate prepared by any ~~Loan Party~~ Borrower in connection therewith, nor shall Collateral Agent be responsible or liable to Lenders for any failure to monitor or maintain any portion of the Collateral.

10.13 Sharing Among Lenders.

(a) **Settling Adjustments.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its *pro rata* share thereof as provided herein, then the Lender receiving such greater proportion shall (i) notify Collateral Agent of such fact and (ii) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

- (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and
- (ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by Borrowers pursuant to and in accordance with the express terms of this Agreement, or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans, other than to Borrowers (as to which the provisions of this paragraph shall apply).

(b) **Borrowers' Agreement.** Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrowers rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Borrowers in the amount of such participation.

**ARTICLE 11.
GENERAL PROVISIONS**

11.1 Usury Savings Provision. It is the intention of the parties that all consideration under or in connection with this Agreement, the other Loan Documents, and the Obligations, however denominated, and including (without limitation) all interest; commitment, transaction, or

processing fees; late charges; loan charges; and other such charges shall be limited to the maximum lawful amount permitted under applicable state law or, if higher, applicable federal law (the “**Maximum Lawful Amount**”). Such consideration shall be characterized and all provisions of the Loan Documents shall be construed so as to uphold the validity of charges provided for therein and any rates shall be calculated based upon the scheduled maturity of the Obligations and not based upon any prepayment or early maturity by acceleration. If for any reason, any interest and/or other charges paid or contracted to be paid in respect of the Term Loans shall exceed the Maximum Lawful Amount, then, *ipso facto*, the obligation to pay such interest and/or other charges shall be reduced to the Maximum Lawful Amount in effect from time to time, and any amounts collected by Lenders that exceed the Maximum Lawful Amount shall be applied to the reduction of the principal balance of the Term Loans and/or refunded to Borrowers so that at no time shall the interest or loan charges paid or payable in respect of the Term Loans exceed the Maximum Lawful Amount. This provision shall control every other provision herein and in any and all other agreements and instruments now existing or hereafter arising between Borrowers and Lender with respect to the Term Loan.

11.2 Publicity. Borrowers shall not issue any press release, notice, disclosure, or other such publicity regarding the Term Loans or their relationship with Lenders without the prior written consent of Lenders.

11.3 No Reliance on Lender’s Analysis. Borrowers acknowledge and represent that, in connection with the Obligations, they have not relied upon any financial projection, budget, assessment, or other analysis by Lenders or upon any representation by Lenders as to the risks, benefits, or prospects of their business activities or present or future capital needs incidental thereto, all such considerations having been examined fully and independently by Borrowers.

11.4 No Marshaling of Assets. Lenders may proceed against any collateral securing the Obligations or other obligations to Lenders and against parties liable therefor in such order as it may elect, and neither a Borrower nor any surety or guarantor for a Borrower nor any creditor of a Borrower shall be entitled to require Lenders to marshal assets. Borrowers hereby expressly waive the benefit of any rule of law or equity to the contrary.

11.5 Business Days. If any payment date under the Obligations falls on a day that is not a Business Day, or if the last day of any notice period falls on such a day, the payment shall be due and the notice period shall end on the next following Business Day.

11.6 Limitations of Damages. In no event shall Lenders ever be liable to Borrowers for (i) special, consequential, incidental, or other such damages arising from or related to the Term Loans or any of the Loan Documents, or (ii) punitive, exemplary, or other such damages arising from or related to the Term Loans or any of the Loan Documents.

11.7 Notices. All notices and communications relating to this Agreement shall be effective only when made in writing and actually delivered by mail, overnight courier, special courier, telecopier, email or otherwise to the addresses set forth below (or to such other address as a party may direct by a notice that complies with this Section), provided that (i) facsimile transmissions shall be effective only when confirmation of is received from the intended recipient’s facsimile

machine and, (ii) due to uncertainties caused by email volumes, spam filters, and other technical and practical matters, email transmissions shall be effective as notice only when and if receipt thereof is actually confirmed by the intended recipient:

If to Borrowers: I3 Verticals, LLC
Attention: Greg Daily
40 Burton Hills Blvd., Suite 415
Nashville, TN 37215
Email: GregDaily@chargepayment.net

With a copy (which shall not constitute notice) to:
Waller Lansden Dortch & Davis, LLP
Attn: Gerald F. Mace
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Email: gerald.mace@wallerlaw.com

If to Harbert: Harbert Mezzanine Partners III, L.P.
Attn: John C. Harrison
618 Church Street, Suite 500
Nashville, TN 37219
Email: jharrison@harbert.net

And to: Harbert Mezzanine Partners III, L.P.
Attn: David Boutwell
2100 Third Avenue North
Suite 600
Birmingham, Alabama 35203-3371
Email: dboutwell@harbert.net

With a copy (which shall not constitute notice) to:
Bradley Arant Boult Cummings LLP
Attn: John E. Murdock III Roundabout Plaza
1600 Division Street, Suite 700
Nashville, Tennessee 37203
Fax: 615/252-6359
Email: ~~jmurdock@babc.com~~ jmurdock@bradley.com

If to CCSD II: CCSD II, L.P.
c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

If to CCSD I (as Lender or as Collateral Agent):

Claritas Capital Specialty Debt Fund, L.P.
c/o Capital Alignment Funds
40 Burton Hills Blvd., Suite 250
Nashville, TN 37215
Attn: R. Burton Harvey
Email: bharvey@capfunds.com

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

Bradley Arant Boult Cummings LLP
Attn: John E. Murdock III Roundabout Plaza
1600 Division Street, Suite 700
Nashville, Tennessee 37203
Fax: 615/252-6359
Email: ~~jmurdock@babc.com~~ jmurdock@bradley.com

11.8 Not Fiduciary; No Third Party Beneficiaries. Neither Lenders nor Collateral Agent is a fiduciary of a Borrower under any agreement or for any purpose. This Agreement has been executed for the sole benefit of the parties hereto, and no third party is authorized to rely upon Lenders' or Collateral Agent' rights or duties hereunder.

11.9 Incorporation of Schedules. All Schedules and Exhibits referred to in this Agreement are incorporated herein by this reference.

11.10 Indulgence Not Waiver. Any party's indulgence in a departure from the terms of this Agreement shall not prejudice the party's right to demand strict compliance with this Agreement, absent a written waiver or amendment that would be binding under the terms of this Agreement.

11.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties, except that (i) Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders, and (ii) Lenders may assign their rights only as permitted in this Section. Any attempted assignment or delegation by Borrowers without the required prior written consent shall be void. Lenders may freely assign the Term Loans or grant participation interests in the Term Loans, in each case in whole or in part; provided, however, (i) no such assignment or participation interest in a Term Loan shall be effective unless and until notice thereof is given to Lenders, Borrowers, and Collateral Agent; (ii) absent the consent of Lenders, Borrowers, and Collateral Agent, no assignment or participation interest may be transferred to a Person whose foreign status would impose any duty of withholding or other burden or restriction upon any of Lenders, Borrowers, or Collateral Agent; and (iii) absent the occurrence and continuation of an Event of Default, Lenders may not, without the written consent of Borrowers (which shall not be unreasonably withheld, delayed, or conditioned), assign a Term Loan or grant a participation interest therein to any Person except to (A) a Lender or an Affiliate of a Lender, or (B) an investment fund or other institutional investor that acquires a major part of a Lender's investment portfolio and which is not (either directly or through an Affiliate) engaged in Borrowers' Line of Business. To avoid doubt, upon and during the

continuation of an Event of Default, Lenders may freely assign the Term Loans or grant participation interests in the Term Loans without Borrowers' consent.

11.12 Entire Agreement. This Agreement and the other written agreements executed by the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior agreements are merged herein; provided, however, if there is a conflict between this Agreement and any other document executed contemporaneously herewith with respect to the Obligations, the provisions of this Agreement shall control.

11.13 Construction. This Agreement has been actively negotiated by the parties with full benefit of counsel and shall not be construed against either party as author. This Agreement shall not be deemed as amended, modified, or waived or construed to vary from its express terms by any course of performance, course of dealing, or usage of trade.

11.14 Requirements of Writing. When this Agreement requires that information be delivered in writing, or when it requires the delivery of information but is silent on the form of a delivery, it means that the required information must be delivered either in written language on paper or delivered as an electronic record in a generally accepted means of storage (*e.g.*, a .pdf file, email text in format accepted by Microsoft Outlook, or faxed image). Oral statements shall not in any event suffice as writings, even if recorded, and regardless of their content.

11.15 Amendments, Waivers, and Consents.

(a) **Procedural Requirements.** No provision of this Agreement or the other Loan Documents shall be amended, modified, or waived, and no related consent, approval, or additional agreement shall be binding, except as evidenced by a written document signed in hand by the party against whom such undertaking is to be enforced. Without limiting the foregoing, oral discussions (even if recorded), voice mail messages, and the text of ordinary electronic mail correspondence (that is, email correspondence that lacks a representation of a handwritten signature) shall not be binding, regardless of their content, its being the agreement of the parties that absent a handwritten signature all such communications should be conclusively regarded as nonbinding. A document signed in hand may be effectively evidenced by an electronic record that qualifies as a writing under this Agreement.

(b) **Approval of Amendments and Waivers.** This Agreement and the other Loan Documents may be amended, and provisions thereof waived, only upon the written agreement of Borrowers and Collateral Agent (except that the agreement of Borrowers shall not be required as to ~~Article 10~~[Article 10](#), except for [Section 10.13\(b\)](#)); provided, however, that no such agreement shall (i) increase the commitment of a Lender to extend any credit to any Borrower, without the written consent of such Lender, (ii) reduce the principal amount of any of the Term Loans or reduce the rate of interest thereon, or reduce fees payable thereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any of the Term Loans, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender adversely affected

thereby, (iv) change Section 2.11, any provision of ~~Article 10~~Article 10, or this Section 11.15(b), without the written consent of all Lenders.

(c) **Lender Consent in Other Capacities.** To avoid doubt, no action taken by a Lender designee on the Governing Body of a Borrower shall constitute a waiver or amendment of any provision of the Loan Documents. To the extent that any such action requires a waiver, consent, or amendment under the Loan Documents, Borrowers shall be responsible to raise the issue and propose or request a formal written waiver, consent, or amendment.

11.16 Time of Essence. Time is of the essence of this Agreement, and all dates and time periods specified herein shall be strictly observed.

11.17 Gender and Number. Words used herein indicating gender or number shall be read as context may require.

11.18 Captions Not Controlling. Captions and headings have been included in this Agreement for the convenience of the parties, and shall not be construed as affecting the content of the respective Sections.

11.19 Counterparts. This Agreement may be executed in counterparts with all signatures or by counterpart signature pages, and it shall not be necessary that the signatures of all parties be contained on any one document. Each counterpart shall be deemed an original, but all of them together shall constitute one and the same instrument.

11.20 Compliance with Anti-Terrorism Laws. Borrowers, each holder of equity of Borrower, and all Beneficial Owners and Affiliates of Borrowers and each such owner of equity are and shall at all times remain in compliance with (i) the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-65; and (ii) other Laws as may be enacted now or in the future relating to anti-terrorism measures.

11.21 Applicable Law. The laws of the State of Tennessee (without giving effect to its conflicts of law principles) and applicable federal law shall govern all matters arising from or related to this Agreement and all other Loan Documents, including the validity, interpretation, construction, performance, and enforcement thereof; provided, however, pursuant to TCA §47-14-119, the substantive laws of the State of Alabama shall govern this Agreement and the other Loan Documents regarding interest, loan charges, commitment fees, brokerage commissions, and other consideration charged by Harbert, except to the extent that federal law upholding such charges may otherwise apply. The parties acknowledge that Harbert's principal office is located in Alabama and that such contacts are sufficient to support the election of Alabama law to the extent stated above.

11.22 Consent to Jurisdiction; Exclusive Venue. Each party to this Agreement irrevocably consents to the jurisdiction of the United States District Court for the Middle

District of Tennessee and of all Tennessee state courts sitting in Davidson County, Tennessee, for the purpose of any litigation to which any Lender may be a party and which arises from or is related to this Agreement or to any other Loan Document that does not expressly provide to the contrary. It is further agreed that venue for any such action shall lie exclusively with such courts, unless (i) Lenders and Collateral Agent agree to the contrary in writing, or (ii) Lenders or Collateral Agent initiate litigation in another court that has personal jurisdiction over the parties to that action or has *in rem* jurisdiction over Property relevant to the action. The parties waive any right to assert that the elected forum is not convenient and any right to raise any other objection to this election of exclusive venue.

11.23 Waiver of Jury Trial. Each party to this Agreement hereby knowingly, voluntarily, and with full benefit of counsel, irrevocably waives any right to obtain a trial by jury in any litigation arising from or related to this Agreement or to any other Loan Document and confirms that the effect of this waiver is that all issues of fact and law in any such litigation shall be determined by a judge acting without a jury. This waiver is a material inducement to the execution of this Agreement and is intended to apply whether such litigation is based upon contract, tort, statute, or any other authority.

11.24 Amended and Restated Agreement. This Agreement is an amendment to and restatement of, and not an extinguishment of, the obligations of the Borrowers under the Existing Borrowers Loan Agreement. All guaranty agreements, liens, assignments and security interests securing the Obligations and the Loan Documents are hereby ratified, confirmed, renewed, extended and brought forward as security for the Obligations described in this Agreement, in addition to and cumulative of all other security.

11.25 Joinder of i3 Management and i3-RS. i3 Management and i3-RS each hereby joins in this Agreement and the other Loan Documents to which the other Existing Borrowers are a party, including joining in (ii) the Term Loan Notes as a "Maker," and (iii) the Security Agreement as a "Debtor," and all such documents are hereby amended to include each of i3 Management and i3-RS as a party thereto. i3 Management and i3-RS each further (i) agrees to make all of the representations and warranties set forth in this Agreement and the other Loan Documents to which it is joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3 Management and i3-RS each agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under this Agreement or the other Loan Documents. In furtherance of the foregoing, i3 Management and i3-RS each agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3 Management and i3-RS.

11.26 Affirmation; Collateral; Consent; Waivers regarding Warrants and Leases.

(a) **Affirmation of Loan Documents.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents. Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Agreement; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

(b) **Collateral.** Each Borrower acknowledges and agrees that it previously has granted, or contemporaneously herewith is granting, to Collateral Agent a continuing security interest in substantially all of its Property pursuant to the Security Agreement. Each Borrower hereby (i) affirms its grant of a security interest in the Collateral (as defined in the Security Agreement) to secure the Obligations, and (ii) acknowledges that Secured Party shall have all rights and remedies of a secured party provided by the UCC.

(c) **Approval of Increase to Senior Debt.** Lenders (i) consent to Borrowers' incurring of Debt pursuant to the Senior Loan Agreement, (ii) agree that such Debt shall be treated as a Senior Loan under this Agreement, and (iii) agree that ~~First~~ Bank of America, N.A. shall be treated as the Administrative Agent under the Senior Loan Agreement.

(d) Waiver of Certain Matters Regarding Issuance of Equity.

(1) Lenders agree that i3 Verticals may issue 120,000 Class P non-voting units of i3 Verticals to Ian Halpern, Chris Toppino, and Henry Lau pursuant to that Asset Purchase Agreement dated as of December 31, 2014, between RentShare, Inc., certain "Owners" thereof, and i3-RS without making any adjustment to the Warrants pursuant to Section 8 thereof.

(e) Certain Matters Regarding Leases.

(1) Lenders hereby waive the requirements of Section 6.13 of this Agreement with respect to (i) the lease by i3-RS of office space located at 115 East 23rd St., Unit 325, New York, New York, (ii) the lease by CP-USDC of office space located at 2761 E. Skelly Drive, Suite 105, Tulsa, Oklahoma, and (iii) the lease by i3 Verticals of office space located at 40 Burton Hills Blvd., Suite 200, Nashville, Tennessee, so long as Borrowers vacate such space on or before April 1, 2015.

(2) Lenders hereby agree that the time for delivering applicable landlord agreements pursuant to Section 6.13 of this Agreement is hereby extended to (i) on or before February

9, 2015, with respect to the lease by i3 Verticals of office space located at 2500 Cumberland Parkway, Atlanta, GA 30339, and (ii) on or before the date of occupancy with respect to the lease by i3 Verticals of office space located at 40 Burton Hills Blvd., Suite 415, Nashville, Tennessee.

(3) Lenders hereby waive the requirements of Section 6.13 of the Loan Agreement with respect to the lease by i3-PBS of office space located at 2859 N. Susquehanna Trail, Shamokin Dam, PA 17876.

(4) Reference is made to that Office Lease Agreement dated January 19, 2011 (the "**Fairways Lease**") between Fairway and Domar Properties, LLC for the premises located at 300 N. Lee Street, Suite 500, Alexandria, VA, 22314 (the "**Lee Premises**"), which Lease contains the grant of a security interest which is not a Permitted Encumbrance. Collateral Agent and Lenders hereby consent to such security interest and waive any Defaults or Events of Default that exist or may arise on account of the granting or existence of such security interest. Borrowers obtained a landlord waiver from the landlord of the Lee Premises, but such waiver is not in form acceptable to Collateral Agent and Lenders in all respects. Borrowers' failure to obtain an acceptable landlord waiver shall not constitute a Default or Event of Default under the Credit Agreement; provided, however, that until Borrowers obtain a landlord waiver acceptable to Collateral Agent and Lenders in all respects, in their reasonable discretion, Borrowers covenant and agree that the value of all assets of Borrowers located on the Lee Premises shall not at any time exceed \$50,000.00.

[The remainder of this page is intentionally left blank.]

This First Amended and Restated Loan Agreement is dated as of the date first written above.

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: _____
Name: _____
Title: _____

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD, GP, LLC,
its General Partner

By: _____
Name: _____
Title: _____

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: _____
Name: _____
Title: _____

[Signatures to First Amended and Restated Loan Agreement Continue]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: _____
Name: _____
Title: _____

[Continued Signatures to First Amended and Restated Loan Agreement]

BORROWERS:

- i3 VERTICALS, LLC
- CP-PS, LLC
- CP-DBS, LLC
- i3 VERTICALS MANAGEMENT SERVICES, INC.
- i3-RS, LLC
- i3-EZPAY, LLC
- i3-LL, LLC
- i3-PBS, LLC
- i3-INFIN, LLC
- i3-BP, LLC
- i3-AXIA, LLC
- i3-RANDALL, LLC
- i3-CSC, LLC
- i3-TS, LLC
- FAIRWAY PAYMENTS, LLC

By: _____
Name: _____
Title: _____

[Continued Signatures to First Amended and Restated Loan Agreement]

Exhibit B

Security Agreement

See attached.

[Schedule/Exhibit to Eleventh Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

Exhibit C

[Schedules updated to reflect the reaffirmation of the representations and warranties made in Article 5 of the Loan Agreement.]

TWELFTH AMENDMENT TO FIRST AMENDED AND RESTATED LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS

This Twelfth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of November 30, 2017 (the "Effective Date"), by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), i3-CSC, LLC, a Delaware limited liability company ("i3-CSC"), i3-TS, LLC, a Delaware limited liability company ("i3-TS"), Fairway Payments, LLC, a Virginia limited liability company ("Fairway"), i3-SDCR, Inc., a Delaware corporation ("i3-SDCR"), and SAN DIEGO CASH REGISTER COMPANY, INC., a California corporation ("SDCR") (i3, CP-PS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, i3-Randall, i3-CSC, i3-TS, and Fairway are the "Existing Borrowers," and the Existing Borrowers, i3-SDCR and SDCR collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016, as further amended by that Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of March 31, 2017, as further amended by that Tenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 1, 2017, and as further amended by that Eleventh Amendment to First Amended and Restated Loan Agreement dated as of October 30, 2017 (as amended, the "Loan Agreement"); and

B. Upon the consummation of the SDCR Acquisition (as defined below), i3-SDCR and SDCR will each become a wholly-owned direct or indirect subsidiary of i3 and wish to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as additional Borrowers or other appropriate parties; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-SDCR and SDCR.** i3-SDCR and SDCR each hereby join in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 21, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include both i3-SDCR and SDCR as parties thereto. i3-SDCR and SDCR both further (i) agree to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which they are joined as of the date hereof; (ii) grant to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of their assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agree that they hereby assume, and are direct obligors primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-SDCR and SDCR agree that they shall be jointly and severally liable with Existing Borrowers, each other, and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-SDCR and SDCR each agree to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-SDCR and SDCR.

3. **SDCR Acquisition.** Borrowers represent and warrant that i3-SDCR has completed the acquisition of all of the outstanding common stock of SDCR (the "SDCR Acquisition") pursuant to and in accordance with that certain Stock Purchase Agreement (the "SDCR Acquisition Agreement") dated as of October 31, 2017, by and among i3-SDCR, Ality R. Richardson individually and as Successor Trustee under that Declaration of Trust dated May 27, 1999, and Ashley J. Richardson. Borrowers represent, warrant, and agree that (i) the SDCR Acquisition qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been or will be satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) other than as provided in Section 3.1 therein, there is no contingent consideration payable under the SDCR Acquisition Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 200,000 Common Units of i3 and 200,000 Class P Units of i3 pursuant to the SDCR Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents.

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

I3 VERTICALS, LLC
CP-TOPS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC
i3-RANDALL, LLC
i3-CSC, LLC
i3-TS, LLC
FAIRWAY PAYMENTS, LLC
i3-SDCR, LLC
SAN DIEGO CASH REGISTER COMPANY, INC.

By: /s/ Scott Meriwether

Scott Meriwether
Vice President

[Signatures to Twelfth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Twelfth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Twelfth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-SDCR and SDCR to the Loan Agreement and certain other Loan Documents.]

THIRTEENTH AMENDMENT TO FIRST AMENDED AND RESTATED LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS

This Thirteenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of December 18, 2017 (the "Effective Date"), by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), i3-CSC, LLC, a Delaware limited liability company ("i3-CSC"), i3-TS, LLC, a Delaware limited liability company ("i3-TS"), Fairway Payments, LLC, a Virginia limited liability company ("Fairway"), i3-SDCR, Inc., a Delaware corporation ("i3-SDCR"), SAN DIEGO CASH REGISTER COMPANY, INC., a California corporation ("SDCR"), and i3-CS, LLC, a Delaware limited liability company ("i3-CS") (i3, CP-PS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, i3-Randall, i3-CSC, i3-TS, Fairway, i3-SDCR and SDCR are the "Existing Borrowers," i3-CS and the Existing Borrowers, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HARBERT MEZZANINE PARTNERS III, L.P. ("Harbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016, as further amended by that Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of March 31, 2017, as further amended by that Tenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 1, 2017, as further amended by that Eleventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of October 30, 2017, and as further amended by that Twelfth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of November 30, 2017 (as amended, the "Loan Agreement"); and

B. i3-CS has recently been formed as a wholly-owned direct subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-CS.** i3-CS hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 21, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-CS as a party thereto. i3-CS further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it are joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-CS agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-CS agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-CS.

3. **Court Solutions Acquisition.** Borrowers represent and warrant that i3-CS has completed the acquisition of substantially all of the assets of Court Solutions LLC (the "Court Solutions Acquisition") pursuant to and in accordance with that certain Asset Purchase Agreement (the "Court Solutions Acquisition Agreement") dated as of December 1, 2017, by and among i3-CS, Court Solutions LLC, Richard Garofalo, and Loren Garofalo. Borrowers represent, warrant, and agree that (i) the Court Solutions Acquisition qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been or will be satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) other than as provided in Section 3.1 therein, there is no contingent consideration payable under the Court Solutions Acquisition Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 150,000 Class P Units of i3 pursuant to the Court Solutions Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii)

the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents.

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

i3 VERTICALS, LLC
CP-TOPS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC
i3-RANDALL, LLC
i3-CSC, LLC
i3-TS, LLC
FAIRWAY PAYMENTS, LLC
i3-SDCR, LLC
SAN DIEGO CASH REGISTER COMPANY, INC.
i3-CS, LLC

By: /s/ Scott Meriwether
Scott Meriwether
Vice President

[Signatures to Thirteenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Thirteenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John C. Harrison

Name: John C. Harrison

Title: VP

[Signatures to Thirteenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-CS to the Loan Agreement and certain other Loan Documents]

**FOURTEENTH AMENDMENT TO FIRST AMENDED AND RESTATED
LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS**

This Fourteenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents (this "Amendment") is entered into as of February 14, 2018 (the "Effective Date"), by i3 VERTICALS, LLC ("i3"), a Delaware limited liability company; CP-PS, LLC ("CP-PS"), a Delaware limited liability company; CP-DBS, LLC ("CP-DBS"), a Delaware limited liability company, i3 VERTICALS MANAGEMENT SERVICES, INC. ("i3 Management"), a Delaware corporation, i3-RS, LLC ("i3-RS"), a Delaware limited liability company, i3-EZPAY, LLC, a Delaware limited liability company ("i3-EZ"), i3-LL, LLC, a Delaware limited liability company ("i3-LL"), i3-PBS, LLC, a Delaware limited liability company ("i3-PBS"), i3-INFIN, LLC, a Delaware limited liability company ("i3-Infin"), i3-BP, LLC, a Delaware limited liability company ("i3-BP"), i3-Axia, LLC, a Delaware limited liability company ("i3-Axia"), i3-Randall, LLC, a Delaware limited liability company ("i3-Randall"), i3-CSC, LLC, a Delaware limited liability company ("i3-CSC"), i3-TS, LLC, a Delaware limited liability company ("i3-TS"), Fairway Payments, LLC, a Virginia limited liability company ("Fairway"), i3-SDCR, Inc., a Delaware corporation ("i3-SDCR"), SAN DIEGO CASH REGISTER COMPANY, INC., a California corporation ("SDCR"), i3-CS, LLC, a Delaware limited liability company ("i3-CS"), and i3-EMS, LLC a Delaware limited liability company ("i3-EMS") (i3, CP-PS, CP-DBS, i3 Management, i3-RS, i3-EZ, i3-LL, i3-PBS, i3-Infin, i3-BP, i3-Axia, i3-Randall, i3-CSC, i3-TS, Fairway, i3-SDCR, SDCR, and i3-CS are the "Existing Borrowers," i3-EMS and the Existing Borrowers, collectively, "Borrowers"); CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P. ("CCSD I"), a Delaware limited partnership; CCSD II, L.P. ("CCSD II"), a Delaware limited partnership; HERBERT MEZZANINE PARTNERS III, L.P. ("Herbert"), a Delaware limited partnership (together with CCSD I and CCSD II, collectively "Lenders"); and CCSD I, in its capacity as Collateral Agent for Lenders, as provided in the Loan Agreement described below ("Collateral Agent").

RECITALS:

A. Lenders, Collateral Agent, and the Existing Borrowers previously executed that First Amended and Restated Loan Agreement dated as of January 9, 2015, as amended by that First Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 23, 2015, as further amended by that Second Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 25, 2015, as further amended by that Third Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 11, 2015, as further amended by that Fourth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of January 11, 2016, as further amended by that Fifth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of April 29, 2016, as further amended by that Sixth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of May 12, 2016, as further amended by that Seventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of June 30, 2016, as further amended by that Eighth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 21, 2016, as further amended by that Ninth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of March 31, 2017, as further amended by that Tenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of August 1, 2017, as further amended by that Eleventh Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of October 30, 2017, as further amended by that Twelfth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of November 30, 2017, and as further amended by that Thirteenth Amendment to First Amended and Restated Loan Agreement and Omnibus Amendment to Loan Documents dated as of December 18, 2017 (as amended, the "Loan Agreement"); and

B. i3-EMS has recently been formed as a wholly-owned direct subsidiary of i3 and wishes to join the Loan Agreement and certain other Loan Documents (as defined in the Loan Agreement) as an additional Borrower or other appropriate party; and

C. Lenders are the holders of the Warrants (as defined in the Loan Agreement); and

D. The parties hereto wish to amend the Loan Agreement and other Loan Documents and to waive certain rights under the Warrants;

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

1. **Definitions and Rules of Construction.** As used in this Amendment, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement, and the rules of construction applicable to the Loan Agreement shall apply to this Amendment.

2. **Joinder of i3-EMS.** i3-EMS hereby joins in (i) the Loan Agreement as a "Borrower," (ii) the Term Loan Notes as a "Maker," (iii) that Security Agreement dated as of August 21, 2013, by and among Existing Borrowers and Collateral Agent (the "Security Agreement") as a "Debtor," and all such documents are hereby amended to include i3-EMS as a party thereto. i3-EMS further (i) agrees to make all of the representations and warranties set forth in the Loan Agreement and the other Loan Documents to which it are joined as of the date hereof; (ii) grants to Collateral Agent, for the benefit of Lenders, pursuant to the terms and provisions of the Loan Agreement and the Security Agreement, a valid and enforceable security interest in and to all of its assets constituting Collateral (as defined in the Security Agreement), free and clear of all Encumbrances except as otherwise provided in the Loan Agreement; and (iii) agrees that it hereby assumes, and is a direct obligor primarily liable for, all of the Obligations, whether now or hereafter arising. Without limiting the foregoing, i3-EMS agrees that it shall be jointly and severally liable with Existing Borrowers and any other Borrower for all liabilities and obligations of each such Borrower to Collateral Agent and Lenders irrespective of when such liabilities or obligations first arose under the Loan Agreement or the other Loan Documents. In furtherance of the foregoing, i3-EMS agrees to execute and/or deliver to Collateral Agent such additional loan documents, security instruments, UCC financing statements, and other documents, instruments, certificates or agreements as Collateral Agent may reasonably request to give effect to this joinder of i3-EMS.

3. **Enterprise Merchant Solutions Acquisition.** Borrowers represent and warrant that i3-EMS has completed the acquisition of substantially all of the assets of Enterprise Merchant Solutions, Inc. (the "Enterprise Merchant Solutions Acquisition") pursuant to and in accordance with that certain Asset Purchase Agreement (the "Enterprise Merchant Solutions Acquisition Agreement") dated as of January 31, 2018, by and among i3-EMS, Enterprise Merchant Solutions, Inc., Stephen Ferrante, and Uyentrih Do. Borrowers represent, warrant, and agree that (i) the Enterprise Merchant Solutions Acquisition qualifies as and constitutes a Permitted Acquisition, and all of the conditions set forth in the definition of Permitted Acquisition have been or will be satisfied within the time periods specified therein (or within such shorter time periods as Lenders have permitted), (ii) other than as provided in Section 3.1 therein, there is no contingent consideration payable under the Enterprise Merchant Solutions Acquisition Agreement, and (iii) no Borrower is issuing a Seller Note in connection with such acquisition.

4. **Waiver of Certain Matters Regarding Issuance of Equity.** Lenders agree that i3 may issue up to 200,000 Class P Units of i3 pursuant to the Enterprise Merchant Solutions Acquisition Agreement without making any adjustment to the Warrants pursuant to Section 8 thereof.

5. **Updating of Schedules.** Borrowers hereby reaffirm the warranties and representations made in Article 5 of the Loan Agreement as true and correct given as of the date hereof, subject to (i) matters therein that were expressly disclosed as of a particular date other than the Closing Date and (ii) the matters disclosed in the updated complete set of Schedules to the Loan Agreement attached hereto as Exhibit A.

6. **Borrowers' Release.** Borrowers hereby release Lenders and Collateral Agent from any claim, defense, or right of setoff, known or unknown, that any Borrower may have against any of them as of the execution of this Amendment; provided, however, to avoid doubt, Lenders and Collateral Agent are not released from their future obligations under the Loan Documents.

7. **Borrowers' Affirmations.** Borrowers acknowledge, warrant, and represent that (i) pursuant to the Loan Documents, their obligations to repay the Obligations are absolute and unconditional, and there exists no right

of deduction, setoff, recoupment, counterclaim or defense of any nature whatsoever to payment of the Obligations, (ii) the Loan Documents are valid and enforceable against Borrowers in accordance with their terms (subject to principles of equity and laws applicable to the rights of creditors generally, including bankruptcy laws) and grant valid and perfected security interests and liens in the collateral described therein with the priority required by the Loan Documents, and (iii) no Default or Event of Default presently exists under the Loan Documents.

8. **Expenses.** Borrowers agree to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and recording fees) incurred by Collateral Agent and Lenders and arising out of or relating to the preparation and negotiation of this Amendment and the matters contemplated hereby.

9. **Construction of Agreement.** Except as expressly provided herein, the Loan Documents remain in full force and effect in accordance with their respective terms, and this Amendment shall not be construed to (i) impair the validity, perfection, or priority of any security interest granted therein, or (ii) waive or impair any rights, powers, or remedies of Lenders or Collateral Agent under the Loan Documents.

10. **Assignment.** This Amendment shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of Borrowers, Collateral Agent, and Lenders, except that Borrowers may not assign any rights or delegate any obligations arising hereunder without the prior written consent of Lenders. Any attempted assignment or delegation without the required prior consent shall be void.

11. **Entire Agreement.** This Amendment and the other written agreements among the parties represent the entire agreement of the parties concerning the subject matter hereof, and all oral discussions and prior inconsistent agreements are merged herein. In the event of an inconsistency between this Amendment and the provisions of the other Loan Documents, the provisions of this Amendment shall control.

12. **Notices.** Any communications concerning this Agreement or the Obligations shall be addressed as provided in the Loan Documents.

13. **Applicable Law.** This Amendment shall be governed by the substantive laws (excluding conflicts principles) of the State of Tennessee.

14. **Jurisdiction; Venue; Waiver of Jury Trial; Etc.** All matters of jurisdiction, venue, waiver of jury trial, and other general matters shall be determined as provided in the Loan Agreement.

15. **Counterparts.** This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and may be delivered electronically by facsimile or .pdf image.

[signature pages follow]

BORROWERS:

I3 VERTICALS, LLC
CP-PS, LLC
CP-DBS, LLC
i3 VERTICALS MANAGEMENT SERVICES, INC.
i3-RS, LLC
i3-EZPAY, LLC
i3-LL, LLC
i3-PBS, LLC
i3-INFIN, LLC
i3-BP, LLC
i3-AXIA, LLC
i3-RANDALL, LLC
i3-CSC, LLC
i3-TS, LLC
FAIRWAY PAYMENTS, LLC
i3-SDCR, LLC
SAN DIEGO CASH REGISTER COMPANY, INC.
i3-CS, LLC
i3-EMS, LLC

By: /s/ Scott Meriwether
Scott Meriwether
Vice President

[Signatures to Fourteenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

COLLATERAL AGENT:

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

LENDERS:

CCSD II, L.P.

By: CCSD GP II, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

CLARITAS CAPITAL SPECIALTY DEBT FUND, L.P.

By: CCSD GP, LLC,
its General Partner

By: /s/ R. Burton Harvey

Name: R. Burton Harvey

Title: Managing Partner

[Signatures to Fourteenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

HARBERT MEZZANINE PARTNERS III, L.P.

By: HMP III GP, LLC,
Its General Partner

By: Harbert Mezzanine Partners III GP, LLC,
its Sole Manager

By: Harbert Mezzanine Manager III, Inc.,
its Sole Manager

By: /s/ John Harrison

Name: John Harrison

Title: VP

[Signatures to Fourteenth Amendment to First Amended and Restated Loan Agreement
and Omnibus Amendment to Loan Documents]

EXHIBIT A

[Schedules updated to reflect the joinder of i3-EMS to the Loan Agreement and certain other Loan Documents.]

i3 VERTICALS, LLC

AMENDED & RESTATED EQUITY INCENTIVE PLAN

Effective November 29, 2016

1. Establishment and Purpose

i3 Verticals, LLC, a Delaware limited liability company (the “Company”), hereby establishes the i3 Verticals, LLC Equity Incentive Plan (the “Plan”). The purpose of the Plan is to promote the profitability and growth of the Company by providing equity-based incentives to encourage certain key management and other service providers to the Company to contribute to the Company’s growth and financial success. The Company has reserved a pool of Class P Units through the Plan to be awarded from time to time by the compensation committee of the Company’s board of directors. The Company also contemplates that, in certain circumstances, Class P Units may be issued directly by the Company to individuals who are not described as eligible to receive awards under this Plan.

2. Definitions

Any terms used herein shall have the meanings set forth below or, if not defined herein, as defined in the LLC Agreement, except where the context otherwise indicates:

(a) “Award” means an award of a Class P Unit in the Company.

(b) “Class P Unit” means a Class P Unit in the Company representing a profits interest in the Company as more fully described in Section 3.10 of the LLC Agreement.

(c) “Class P Unit Agreement” means a written document memorializing the Award granted to the Participant pursuant to the Plan.

(d) “Committee” means the “compensation committee” that is appointed by the Board to administer the Plan.

(e) “LLC Agreement” means the Third Amended and Restated Limited Liability Agreement of i3 Verticals, LLC, effective January 15, 2014, and as amended from time to time.

(f) “Management Pool” means the maximum number of Awards set forth in Section 4(a), which number shall not include grants of Class P Units to (1) the Company’s Chief Executive Officer, (2) members of the Company’s Board of Directors, or (3) owners of companies acquired by the Company, in connection with such acquisitions.

(g) “Participant” means an individual granted an Award under the Plan.

3. Administration

(a) Administration of the Plan. The Plan shall be administered by the Committee, which shall have all authorities specified in the Plan and a Class P Unit Agreement, including but not limited to the following authorities:

- (i) *Plan Participation*. The Committee shall have absolute discretion to grant Awards under the Plan and prescribe the form of Class P Unit Agreements evidencing such Awards. The Committee in its discretion may grant Awards to employees, consultants and directors of the Company or an Affiliate of the Company. The Committee may also grant Awards to prospective employees, consultants or directors in connection with hiring, retention or otherwise, provided that vesting of Class P Units may not occur until the Award recipient has commenced providing services to the Company or an Affiliate. An individual who receives an Award under the Plan will be designated a Participant.
- (ii) *Terms of Awards*. The Committee is authorized to: (A) determine the eligible persons to whom, and the time or times at which, Awards shall be granted; (B) determine the number of Class P Units to be covered by each Award; (C) impose such terms, limitations, restrictions and conditions upon any such Award as the Committee shall deem appropriate, including, but not limited to, those relating to the vesting of Awards, if any; and (D) modify or amend outstanding Awards.
- (iii) *Plan and Award Interpretation*. The Committee shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Class P Unit Agreements and all other documents relevant to the Plan and Awards issued thereunder, to establish, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Committee shall deem it desirable to carry it into effect.

(b) Non-Uniform Determinations. The Committee's determinations under the Plan (including, without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Class P Unit Agreements evidencing such Awards) need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(c) Limited Liability. To the maximum extent permitted by law, the Committee (or any Committee member) shall not be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(d) Indemnification. To the maximum extent permitted by law and under the LLC Agreement, the Committee (and any member of the Board) shall be indemnified by the Company in respect of all their activities under the Plan.

(e) Effect of Committee's Decision. All actions taken and decisions and determinations made by the Committee on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Committee's sole and absolute discretion and shall be conclusive and binding on all parties concerned.

4. Awards

(a) Reservation of Units. The maximum aggregate number of Class P Units that may be issued pursuant to the Plan is 3,283,808 (the "Management Pool"). This number of Class P Units shall automatically increase at the time that the Company engages in a capital transaction that increases the number of outstanding Units. The Committee will calculate the increase as (i) a number of Class P Units that, when added to the then maximum aggregate number of Class P Units that may be issued pursuant to the Plan, is equal to 12.5% the total number of shares of Units outstanding (as further defined below), on an as converted and fully diluted basis, immediately following such capital transaction, or (ii) such lesser number as determined by the Committee. In no event shall such annual increase exceed 2,500,000 Units. For purposes of this Section, in order to determine the increased Management Pool size, the Company shall take the total number of Units that are issued and outstanding, plus all securities or debt convertible into Units, plus all warrants and any other securities, minus all existing Class P Units that have been granted and remain outstanding under the Management Pool, and divide such number by 0.875. The product shall then be multiplied by 12.5%. This final number shall then be approved by the Committee as the automatic increase to the Class P Units subject to the Plan. The Committee shall also take appropriate action to reflect this increase on the books and records of the Company under Section 3.2 of the LLC Agreement.

(b) Adjustments for Recapitalization, Etc. The number of Class P Units reserved in Section 4(a) for issuance under the Plan shall be adjusted by the Committee by way of increase or decrease, as the Committee deems appropriate, in the event of a recapitalization, split, consolidation or similar transaction involving the equity of the Company.

(c) Determination of Units Awarded Under Plan. An Award of Class P Units to a Participant will count against the number of Units reserved in Section 4(a) hereunder, except in the following circumstances: (i) Class P Units awarded to individuals who are founders of the Company or who provide their services as members of the Board; (ii) Class P Units awarded under the terms of a definitive acquisition agreement entered into by the Company or an Affiliate; or (iii) an issuance of Class P Units under the terms of the LLC Agreement that is not intended to reduce the number of Class P Units reserved hereunder. Certain Class P Units that are issued prior to the date of adoption of the Plan shall be counted against the number of Units reserved in Section 4(a), as indicated on Schedule A attached hereto.

(d) Reissuance of Units. Class P Units that are forfeited for any reason or repurchased by the Company under the terms of a Class P Unit Agreement will again be available for issuance under an Award.

(e) Terms of LLC Agreement. Awards are subject to a Participation Threshold, as defined in the LLC Agreement, which shall be stated in the Class P Unit Agreement, and to the further

terms and conditions provided in the Plan and the Class P Unit Agreement, By accepting an Award under the Plan, a Participant is deemed to have consented to the applicable terms of the LLC Agreement.

(f) Tax Election. Unless stated otherwise in Class P Unit Agreement, Participants shall be directed to make an effective protective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder within 30 days of the grant of an Award. A form of the 83(b) form of election may be provided by the Company.

5. Termination, Amendment and Modification of the Plan.

The Plan will continue indefinitely until terminated by the Committee or the Board. The Committee may terminate, amend or modify the Plan or any portion thereof at any time, provided that an amendment that diminishes the rights of a Participant will not be effective with respect to such Participant until executed in writing by the Participant.

6. Miscellaneous

(a) Non-Guarantee of Employment or Service. Nothing in the Plan or a Class P Unit Agreement shall confer any right on a Participant to continue in the service of the Company or any of its Affiliates or shall interfere in any way with the right of the Company or any such Affiliate to terminate such service at any time with or without cause or notice and whether or not such termination results in: (i) the failure of any Award to vest; (ii) the forfeiture of any unvested portion of any Award; or (iii) any other adverse effect on a Service Provider's interests under the Plan.

(b) Compliance with Securities Laws. If at any time the Committee determines that the delivery of a Class P Unit under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign securities laws, the right to receive Class P Units or a payment pursuant to an Award shall be suspended until the Committee determines that such delivery or payment is lawful. The Company shall have no obligation to effect any registration or qualification of the Class P Units under federal, state or foreign laws.

(c) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any Participant or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right set forth for a person holding Class P Units in the LLC Agreement.

(d) Governing Law. The validity, construction and effect of the Plan, a Class P Unit Agreement entered into pursuant to the Plan, and any rules, regulations, determinations or decisions made by the Committee relating to the Plan or such Class P Unit Agreement, and the rights any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State

of Tennessee, without regard to any conflict of laws principles that would result in the application of the laws of any other jurisdiction.

(e) Inconsistencies. This Plan, the Class P Unit Agreements and the LLC Agreement are intended to be complementary and shall be interpreted in a manner that construes such instruments as consistent with each other. However, in the event of any inconsistencies between the Plan, a Class P Unit Agreement and the LLC Agreement, the LLC Agreement shall in all cases govern.

(f) No Transfers. No Participant shall transfer any Class P Unit, in whole or in part, or any of its rights under this Plan, except for transfers that are permitted in the LLC Agreement.

(g) Further Assurances. The Committee shall take such further actions as are reasonably deemed by it to be necessary or desirable in order to effectively carry out the intent and purpose of this Plan and the transactions and agreements contemplated hereby.

(h) Non-Waiver; Separability of Provisions. Each provision of this Plan shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Plan which are valid.

(i) Successors and Assigns. Subject to the restrictions on transfer of Class P Units set forth herein, this Plan shall be binding upon and shall inure to the benefit of the Company and the Participants and their respective successors and permitted assigns.

(j) Rights under the LLC Agreement. Notwithstanding anything herein or in the LLC Agreement to the contrary, Participants shall not be entitled to any information rights (including financials) or access to books and records accorded to the Members of the Company, in each case, with respect to the Company, except to the extent required by law.

IN WITNESS WHEREOF, the undersigned has executed this instrument on this the 29th day of November, 2016.

i3 VERTICALS, LLC

/s/ Greg S. Daily

Greg S. Daily, Chief Executive Officer

Schedule A

[On file with the Company]

**FIRST AMENDMENT TO
i3 VERTICALS, LLC
AMENDED AND RESTATED EQUITY INCENTIVE PLAN**

THIS AMENDMENT to the i3 Verticals Amended and Restated Equity Incentive Plan (the “Plan”) is adopted by i3 Verticals, LLC, a Delaware limited liability company (the “Company”) on October 31, 2017.

RECITALS:

WHEREAS, the Plan was established to provide equity-based incentives to key management and other service providers to the Company and was amended and restated by the Company effective November 29, 2016;

WHEREAS, the Company desires to amend the Plan to include terms that are required to enable the Company to issue awards of Class P Units under an exemption for compensatory equity awards available under California Corporations Code § 25102(o); and

WHEREAS, the Company’s board has approved this amendment in the manner required by the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Sections 4(a) and 4(b) are restated as follows:

(a) Reservation of Units. The maximum aggregate number of Class P Units that may be issued pursuant to the Plan is 3,283,808 (the “Management Pool”). This number of Class P Units shall automatically increase at the time that the Company engages in a capital transaction that increases the number of outstanding Units. The Committee will calculate the increase as (i) a number of Class P Units that, when added to the then maximum aggregate number of Class P Units that may be issued pursuant to the Plan, is equal to 12.5% of the total number of shares of Units outstanding (as further defined below), on an as converted and fully diluted basis, immediately following such capital transaction, or (ii) such lesser number as determined by the Committee. In no event shall such annual increase exceed 2,500,000 Units. For purposes of this Section, in order to determine the increased Management Pool size, the Company shall take the total number of Units that are issued and outstanding, plus all securities or debt convertible into Units, plus all warrants and any other securities, minus all existing Class P Units that have been granted and remain outstanding under the Management Pool, and divide such number by 0.875. The product shall then be multiplied by 12.5%. This final number shall then be approved by the Committee as the automatic increase to the Class P Units subject to the Plan. The Committee shall also take appropriate action to reflect this increase on the books and records of the Company under Section 3.2 of the LLC Agreement. Awards of Class P Units to residents of California cannot be made later than ten years after the date of the adoption of this plan by equity holders of the Company.

(b) Adjustments for Recapitalization, Etc. The number of Class P Units reserved in Section 4(a) for issuance under the Plan, and the Class P Units that have been issued under the Plan, shall be proportionately adjusted by the Committee by way of increase or decrease, as the Committee deems appropriate, in the event of a recapitalization, split, consolidation or similar transaction involving the equity of the Company.

2. Section 6(f) is restated as follows:

(f) No Transfers. No Participant shall transfer any Class P Unit, in whole or in part, or any of its rights under this Plan, except for transfers that are permitted in the LLC Agreement and that would also be permissible under the exemption provided in SEC Rule 701.

IN WITNESS WHEREOF, the undersigned has executed this instrument on this the 31st Day of October, 2017.

i3 VERTICALS, LLC

/s/ Clay Whitson

Clay Whitson, Chief Financial Officer

**SECOND AMENDMENT TO
i3 VERTICALS, LLC
AMENDED AND RESTATED EQUITY INCENTIVE PLAN**

This Second Amendment (this "Second Amendment") to the i3 Verticals Amended and Restated Equity Incentive Plan (the "Plan"), dated as of May 7, 2018, and effective as of the Effective Date (as defined below), is adopted by i3 Verticals, LLC, a Delaware limited liability company (the "Company"). All capitalized terms used but not defined in this Second Amendment shall have the meanings ascribed to such terms in the Plan.

RECITALS

WHEREAS, the Plan was established to provide equity-based incentives to key management and other service providers to the Company and was amended and restated by the Company, effective November 29, 2016, as further amended by that certain First Amendment to the Plan, effective October 31, 2017;

WHEREAS, pursuant to Sections 3(a)(ii)(D) and 5 of the Plan, the board of directors of the Company (the "Board"), or a committee thereof (the "Committee"), is authorized to modify or amend the Plan and outstanding Awards, respectively;

WHEREAS, on and following the Effective Date, the Company desires to (i) revise the introductory language of the Plan and definition of Committee in order to allow for administration of the Plan by a party other than the board of directors of the Company or a committee thereof; and (ii) amend the Plan and outstanding Awards of its Class P Units ("Units") in order to provide for "double-trigger" vesting acceleration of such Awards such that an Award will vest upon a Change in Control (as defined below) and the termination of a Participant's employment with or service to the Company by Participant for Good Reason (as defined below) or the Company for any reason other than for Cause (as defined below); and

WHEREAS, the Board has approved this Second Amendment in the manner required by the Plan.

AGREEMENT

NOW, THEREFORE, on and following the Effective Date, the Plan is hereby amended as follows:

1. The third sentence of Section 1 of the Plan shall be deleted in its entirety and replaced with the following:

The Company has reserved a pool of Class P Units through the Plan to be awarded from time to time by the Committee.

2. Section 2(d) of the Plan shall be deleted in its entirety and replaced with the following:

(d) "Committee" means i3 Verticals, Inc., a Delaware corporation (the "Corporation"), either in its capacity as sole manager of the Company or on behalf of itself, as the case may be.

3. Section 4 of the Plan shall be amended by adding the following:

(g) Vesting.

(i) *Terms and Conditions*. Notwithstanding the terms and conditions of any “Vesting” provision of any outstanding Class P Unit Agreement, but subject to the provision by Participant for the payment of all applicable withholding and other taxes to the satisfaction of the Company, all Units subject to Awards held by a Participant shall become vested if and only if such Participant has been continuously employed by the Company or any of its affiliates from the date of the Award through and including the vesting date set forth in such Participant’s Class P Unit Agreement; provided, that each outstanding unvested Award shall vest (A) in full in the event Participant’s death; (B) in full if the Participant’s Service Relationship terminates as a result of Participant’s Disability; provided, that the Award shall become transferable by the Participant only at the times the Award would have vested in accordance with the existing vesting schedule set forth in Participant’s Class P Unit Agreement; or (C) in the event an Award is not otherwise settled in connection with a Change in Control, in full if Participant’s employment with or service to the Company and all of its affiliates (or their respective successors) is terminated (1) by Participant for Good Reason or (2) the Company for any reason other than for Cause, in each case within one (1) year following such Change in Control.

(ii) *Definitions*.

(A) “Cause” means unless otherwise defined in the applicable Class P Unit Agreement, (1) the engaging by the Participant in willful misconduct that is injurious to the Company, or (2) the embezzlement or misappropriation of funds or property of the Company by the Participant. For purposes of this paragraph, no act, or failure to act, on the Participant’s part shall be considered “willful” unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant’s action or omission was in the best interest of the Company. Any determination of Cause for purposes of the Plan or any Award shall be made by the Company in its sole discretion. Any such determination shall be final and binding on a Participant.

(B) “Change in Control” means the occurrence of any of the following:

- (1) an acquisition (other than directly from the Corporation) of any voting securities of the Corporation (the “Voting Securities”) by any “Person” (as the term Person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) immediately after which such Person has “Beneficial Ownership” (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty-five percent (35%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred, Voting Securities which are acquired in a Non-Control Acquisition (as hereinafter defined) shall not constitute an acquisition which would cause a Change in Control. A “Non-Control Acquisition” shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof)

maintained by (A) the Corporation or (B) any affiliate, or (ii) the Corporation or any affiliate;

- (2) during any period of twelve (12) consecutive months, a majority of the members of the Board or other equivalent governing body of the Corporation cease to be composed of individuals (i) who were members of the Board or equivalent governing body on the first day of such period, (ii) whose election or nomination to the Board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of the Board or equivalent governing body, or (iii) whose election or nomination to the Board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of the Board or equivalent governing body; or consummation of: (A) a merger, consolidation or reorganization involving the Corporation, unless (1) the stockholders of the Corporation, immediately before such merger, consolidation or reorganization, own, directly or indirectly immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the surviving entity or parent (the "Surviving Company") in substantially the same proportion as their ownership of the Voting Securities immediately before such merger, consolidation or reorganization; and (2) the individuals who were members of the incumbent Board immediately prior to the execution of the definitive agreement providing for such merger, consolidation or reorganization constitute more than fifty percent (50%) of the members of the board of directors of the Surviving Company; and (B) no Person (other than the Corporation, any Subsidiary, any employee benefit plan (or any trust forming a part thereof) maintained by the Corporation, the Surviving Company or any Subsidiary, or any Person who, immediately prior to such merger, consolidation or reorganization, had beneficial ownership of thirty-five percent (35%) or more of the then outstanding Voting Securities unless, as a result of such merger, consolidation or reorganization, such Person acquired or would acquire additional voting securities of the Surviving Company representing additional voting power) has beneficial ownership of thirty-five percent (35%) or more of the combined voting power of the Surviving Company's then outstanding Voting Securities; (B) a complete liquidation or dissolution of the Corporation; or (C) the sale of all or substantially all of the assets of the Corporation to any Person (other than a transfer to an affiliate).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the “Subject Person”) acquired beneficial ownership of more than the permitted amount of the outstanding Voting Securities as a result of the acquisition of Voting Securities by the Corporation which, by reducing the number of Voting Securities outstanding, increased the proportional number of shares beneficially owned by the Subject Person; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Corporation, and after such share acquisition by the Corporation, the Subject Person becomes the beneficial owner of any additional Voting Securities beneficially owned by the Subject Person, then a Change in Control shall occur.

Notwithstanding the foregoing, no acquisition of Company securities by the Corporation shall constitute a “Change in Control” unless the Corporation itself undergoes a “Change in Control” in the same transaction or series of transactions.

(C) “Disability” means that Participant is permanently unable to perform the essential duties of Participant’s occupation.

(D) “Good Reason” means, unless otherwise provided in an applicable Award Agreement or other contractual agreement between the Participant and the Company, (1) a material reduction in Participant’s title, authority, reporting status or responsibilities, which is not cured within ten (10) days after written notice thereof to the Company or its affiliates (or their successor), (2) any reduction in Participant’s annual base salary or bonus opportunity as in effect immediately prior to a Change in Control; or (3) the relocation of the office at which Participant is to perform the majority of Participant’s duties following a Change in Control to a location more than fifty (50) miles from the office at which Participant worked immediately prior to the Change in Control.

4. On and after the Effective Date, the vesting conditions or related terms of any Award of Class P Units, pursuant to a Class P Unit Agreement or otherwise, that previously attached to Class P Units immediately prior to any amendment to the Company’s limited liability company agreement or any Change in Control, including without limitation any merger between the Company, Holdings, or any affiliate of the Company or Holdings, and taking into account the modifications pursuant to this Second Amendment, shall continue in effect with respect to any equity or other consideration issued to such Participant as a result of such amendment to the Company’s limited liability company agreement or such merger.

5. This Second Amendment shall be effective on and following the date that the Corporation’s registration statement on Form S-1 (the “Registration Statement”) is declared effective (the “Effective Date”) by the Securities and Exchange Commission (the “SEC”). If the Registration Statement is not declared effective by the SEC, this Second Amendment shall be void ab initio.

6. All other terms and conditions of the Plan or any outstanding Class P Unit Agreement shall be unchanged and remain in full force and effect, except to the extent modified by the foregoing.

[Signature Page Follows.]

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date first written above.

i3 VERTICALS, LLC

/s/ Clay Whitson

Clay Whitson, Chief Financial Officer

Signature Page to Second Amendment to Amended and Restated Equity Incentive Plan of i3 Verticals, LLC

i3 VERTICALS, INC.
2018 EQUITY INCENTIVE PLAN

i3 VERTICALS, INC.
2018 EQUITY INCENTIVE PLAN

Section 1. Purpose.

This plan shall be known as the i3 Verticals, Inc. 2018 Equity Incentive Plan (the “Plan”). The purpose of the Plan is to promote the interests of i3 Verticals, Inc., a Delaware corporation (the “Company”), its Subsidiaries and its stockholders by (i) attracting and retaining key officers, employees, and directors of, and consultants to, the Company and its Subsidiaries and Affiliates; (ii) motivating such individuals by means of performance-related incentives to achieve long-range performance goals; (iii) enabling such individuals to participate in the long-term growth and financial success of the Company; (iv) encouraging ownership of stock in the Company by such individuals; and (v) linking their compensation to the long-term interests of the Company and its stockholders.

Section 2. Definitions.

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

(a) **“Affiliate”** means (i) any entity that, directly or indirectly, is controlled by the Company, (ii) any entity in which the Company has a significant equity interest, (iii) an affiliate of the Company, as defined in Rule 12b-2 promulgated under Section 12 of the Exchange Act, and (iv) any entity in which the Company has at least fifty percent (50%) of the combined voting power of the entity’s outstanding voting securities, in each case as designated by the Board as being a participating employer in the Plan.

(b) **“Award”** means any Option, Stock Appreciation Right, Restricted Share Award, Restricted Stock Unit, Performance Award, Other Stock-Based Award or other award granted under the Plan, whether singly, in combination or in tandem, to a Participant by the Committee (or the Board) pursuant to such terms, conditions, restrictions and/or limitations, if any, as the Committee (or the Board) may establish or which are required by applicable legal requirements.

(c) **“Award Agreement”** means any written agreement, contract or other instrument or document evidencing any Award.

(d) **“Board”** means the Board of Directors of the Company.

(e) **“Cause”** means, unless otherwise defined in an applicable Award Agreement, (i) the engaging by the Participant in willful misconduct that is injurious to the Company or its Subsidiaries or Affiliates, or (ii) the embezzlement or misappropriation of funds or property of the Company or its Subsidiaries or Affiliates by the Participant. For purposes of this paragraph, no act, or failure to act, on the Participant’s part shall be considered “willful” unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant’s action or omission was in the best interest of the Company. Any determination of Cause for purposes of the Plan or any Award shall be made by the Committee in its sole discretion. Any such determination shall be final and binding on a Participant.

(f) **“Change in Control”** means any of the following events:

(i) an acquisition (other than directly from the Company) of any voting securities of the Company (the “Voting Securities”) by any “Person” (as the term Person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) immediately after which such Person has “Beneficial Ownership” (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty-five percent (35%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred, Voting Securities which are acquired in a “Non-Control Acquisition” (as hereinafter defined) shall not constitute an acquisition which would cause a Change in Control. A “Non-Control Acquisition” means an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any Subsidiary, or (ii) the Company or any Subsidiary;

(ii) during any period of twelve (12) consecutive months, a majority of the members of the Board or other equivalent governing body of the Company cease to be composed of individuals (A) who were members of the Board or equivalent governing body on the first day of such period, (B) whose election or nomination to the Board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of the Board or equivalent governing body, or (C) whose election or nomination to the Board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of the Board or equivalent governing body; or

(iii) consummation of:

(A) A merger, consolidation or reorganization involving the Company, unless,

(1) The stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the surviving entity or parent (the “Surviving Corporation”) in substantially the same proportion as their ownership of the Voting Securities immediately before such merger, consolidation or reorganization; and

(2) The individuals who were members of the incumbent Board immediately prior to the execution of the definitive agreement providing for such merger, consolidation or reorganization constitute more than fifty percent (50%) of the members of the board of directors of the Surviving Corporation; and

(3) No Person (other than the Company, any Subsidiary, any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Subsidiary, or any Person who, immediately prior to such merger, consolidation or reorganization, had Beneficial Ownership of thirty-five percent (35%) or more of the then outstanding Voting Securities unless, as a result of such merger, consolidation or reorganization, such Person acquired or would acquire additional voting securities of the Surviving Corporation representing additional voting power) has Beneficial Ownership of thirty-five percent (35%) or more of the combined voting power of the Surviving Corporation's then outstanding Voting Securities.

(B) A complete liquidation or dissolution of the Company; or

(C) The sale of all or substantially all of the assets of the Company to any Person (other than a transfer to a Subsidiary).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the outstanding Voting Securities as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities outstanding, increased the proportional number of shares Beneficially Owned by the Subject Person, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Company, and after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

Unless otherwise provided in an applicable Award Agreement, solely for the purpose of determining the timing of any payments pursuant to any Award constituting a "deferral of compensation" subject to Section 409A of the Code, a Change in Control shall be limited to a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the assets of the Company" as such terms are defined in Section 1.409A-3(i)(5) of the U.S. Treasury Regulations. No Award Agreement shall define a Change in Control in such a manner that a Change in Control would be deemed to occur prior to the actual consummation of the event or transaction that results in a change of control of the Company (e.g., upon the announcement, commencement, or stockholder approval of any event or transaction that, if completed, would result in a change in control of the Company).

(g) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

(h) "**Committee**" means a committee of the Board composed of not less than two Non-Employee Directors, each of whom shall be (i) a "non-employee director" for purposes of Exchange Act Section 16 and Rule 16b-3 thereunder, and (ii) "independent" within the meaning of the listing standards of the Nasdaq Global Select Market.

(i) **“Consultant”** means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities.

(j) **“Director”** means a member of the Board.

(k) **“Disability”** means, unless otherwise defined in an applicable Award Agreement, a disability that would qualify as a total and permanent disability under the Company’s then current long-term disability plan.

(l) **“Dividend Equivalents”** means a right granted to a Participant under the Plan to receive the equivalent value (in cash or Shares) of dividends paid on Shares.

(m) **“Employee”** means a current or prospective officer or employee of the Company or of any Subsidiary or Affiliate.

(n) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended from time to time.

(o) **“Exercise Price”** means the purchase price payable to purchase one Share upon the exercise of an Option or the price by which the value of a SAR shall be determined upon exercise, pursuant to Section 1(gg).

(p) **“Fair Market Value”** with respect to the Shares, means, for purposes of a grant of an Award as of any date, (i) the closing sales price of the Shares on the Nasdaq Global Select Market, or any other such exchange or market on which the shares are traded, on such date, or in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported (or in either case, such other price based on actual trading on the applicable date that the Committee determines is appropriate) or (ii) in the event there is no public market for the Shares on such date, the fair market value as determined, in good faith, by the Committee in its sole discretion, and for purposes of a sale of a Share as of any date, the actual sales price on that date.

(q) **“Good Reason”** means, unless otherwise provided in an applicable Award Agreement or other contractual agreement between the Participant and the Company, (1) a material reduction in Participant’s title, authority, reporting status or responsibilities, which is not cured within ten (10) days after written notice thereof to the Company or its affiliates (or their successor), (2) any reduction in Participant’s annual base salary or bonus opportunity as in effect immediately prior to a Change in Control; or (3) the relocation of the office at which Participant is to perform the majority of Participant’s duties following a Change in Control to a location more than fifty (50) miles from the office at which Participant worked immediately prior to the Change in Control.

(r) **“Incentive Stock Option”** means an option to purchase Shares from the Company that is granted under Section 6 of the Plan and that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

- (s) **“Non-Employee Director”** means a member of the Board who is not an officer or employee of the Company or any Subsidiary or Affiliate.
- (t) **“Non-Qualified Stock Option”** means an option to purchase Shares from the Company that is granted under Sections 6 or 10 of the Plan and is not intended to be an Incentive Stock Option.
- (u) **“Option”** means an Incentive Stock Option or a Non-Qualified Stock Option.
- (v) **“Other Stock-Based Award”** means any Award granted under Sections 9 or 10 of the Plan.
- (w) **“Participant”** means any Employee, Director, Consultant or other person who receives an Award under the Plan.
- (x) **“Performance Award”** means any Award granted under Section 8 of the Plan.
- (y) **“Person”** means any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.
- (z) **“Restricted Stock”** means any Share granted under Sections 7 or 10 of the Plan subject to certain vesting conditions and other restrictions.
- (aa) **“Restricted Stock Unit”** means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Committee to be of equal value as of such settlement date, subject to certain vesting conditions and other restrictions.
- (bb) **“Retirement”** means, unless otherwise defined in an applicable Award Agreement, retirement of a Participant from the employ or service of the Company or any of its Subsidiaries or Affiliates in accordance with the terms of the applicable Company retirement plan or, if a Participant is not covered by any such plan, the Participant’s voluntary termination of employment on or after such Participant’s 65th birthday.
- (cc) **“SEC”** means the Securities and Exchange Commission or any successor thereto.
- (dd) **“Section 16”** means Section 16 of the Exchange Act and the rules promulgated thereunder and any successor provision thereto as in effect from time to time.
- (ee) **“Service Relationship”** means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

(ff) **“Shares”** means shares of the Class A common stock, \$0.0001 par value per share, of the Company.

(gg) **“Stock Appreciation Right”** or **“SAR”** means a stock appreciation right granted under Sections 6 or 10 of the Plan that entitles the holder to receive, with respect to each Share encompassed by the exercise of such SAR, the amount determined by the Committee and specified in an Award Agreement. In the absence of such a determination, the holder shall be entitled to receive, with respect to each Share encompassed by the exercise of such SAR, the excess of the Fair Market Value on the date of exercise over the Fair Market Value on the date of grant.

(hh) **“Subsidiary”** means any Person (other than the Company) of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company.

(ii) **“Substitute Awards”** means Awards granted pursuant to Section 12.2 solely in assumption of, or in substitution for, outstanding awards previously granted by a company acquired by the Company or with which the Company combines.

(jj) **“Vesting Period”** means the period of time specified by the Committee during which vesting restrictions for an Award are applicable.

Section 3. Administration.

3.1 *Authority of Committee.* The Plan shall be administered by the Committee, which shall be appointed by and serve at the pleasure of the Board; provided, however, with respect to Awards to Non-Employee Directors, all references in the Plan to the Committee shall be deemed to be references to the Board. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority in its discretion to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of Shares to be covered by, or with respect to which payments, rights or other matters are to be calculated in connection with Awards; (iv) determine the timing, terms, and conditions of any Award; (v) accelerate the time at which all or any part of an Award may be settled or exercised; (vi) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vii) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, other property, and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the holder thereof or of the Committee; (viii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (ix) except to the extent prohibited by Section 6.2 or any other provision of the Plan, amend or modify the terms of any Award at or after grant with or without the consent of the holder of the Award; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the

administration of the Plan, subject to the exclusive authority of the Board under Section 14 hereunder to amend or terminate the Plan.

3.2 *Committee Discretion Binding.* Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Subsidiary or Affiliate, any Participant and any holder or beneficiary of any Award.

3.3 *Action by the Committee.* The exercise of an Option or receipt of an Award shall be effective only if an Award Agreement shall have been duly executed and delivered on behalf of the Company following the grant of the Option or other Award by the Committee. Subject to the Charter of the Committee and applicable legal requirements (including the rules and regulations of the Nasdaq Global Select Market), the Committee may make such rules and regulations for the conduct of its business as it shall deem advisable.

3.4 *Delegation.* Subject to the terms of the Plan and applicable law, the Committee may delegate to one or more officers or managers of the Company or of any Subsidiary or Affiliate, or to a Committee of such officers or managers, the authority, subject to such terms and limitations as the Committee shall determine, to grant Awards to or to cancel, modify or waive rights with respect to, or to alter, discontinue, suspend or terminate Awards held by Participants who are not officers or directors of the Company for purposes of Section 16 or who are otherwise not subject to such Section.

3.5 *No Liability.* No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

Section 4. Shares Available for Awards.

4.1 *Shares Available.* Subject to the remaining provisions of this Section 4.1 and Section 4.2 hereof, the maximum number of Shares with respect to which Awards may be granted under the Plan (the "Share Reserve") shall be [_____], of which [_____] shall be available for grant as Incentive Stock Options.

(a) Subject to the provisions of Section 4.2 hereof, the number of Shares available for issuance under the Plan will automatically be increased on the first trading day of January each calendar year during the term of the Plan, beginning with calendar year 2019, in an amount equal to four percent (4%) of the outstanding shares of all classes of the Company's common stock (including both Class A common stock and Class B common stock) on the last trading day in December of the immediately preceding calendar year, unless the Board, no later than the last trading day in December of the immediately preceding calendar year, determines that the increase shall be less than four percent (4%). For the avoidance of doubt, the number of Shares available for grant as Incentive Stock Options shall not be increased pursuant to this Section 4.1(a).

(b) For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the

exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Shares or otherwise terminated (other than by exercise) under the Plan shall be added back to the Share Reserve for issuance under the Plan.

4.2 *Adjustments.* In the event that any unusual or non-recurring transactions, including an unusual or non-recurring dividend or other distribution (whether in the form of an extraordinary cash dividend or a dividend of Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares, then the Committee shall in an equitable and proportionate manner (and, as applicable, in such equitable and proportionate manner as is consistent with Sections 422 and 409A of the Code and the regulations thereunder) either: (i) adjust any or all of (1) the aggregate number of Shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan; (2) the number of Shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards under the Plan, provided that the number of shares subject to any Award shall always be a whole number; and (3) the grant or exercise price with respect to any Award under the Plan; (ii) provide for an equivalent award in respect of securities of the surviving entity of any merger, consolidation or other transaction or event having a similar effect; or (iii) make provision for a cash payment to the holder of an outstanding Award.

4.3 *Substitute Awards.* Any Shares issued by the Company as Substitute Awards in connection with the assumption or substitution of outstanding grants from any acquired company shall not reduce the Share Reserve.

4.4 *Sources of Shares Deliverable Under Awards.* Any Shares delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares or of issued Shares which have been reacquired by the Company.

Section 5. Eligibility.

Any Employee, Director or Consultant shall be eligible to be designated a Participant; provided, however, that Non-Employee Directors shall only be eligible to receive Awards granted consistent with Section 10.

Section 6. Stock Options and Stock Appreciation Rights.

6.1 *Grant.* Subject to Section 6.2, other applicable provisions of the Plan and other applicable legal requirements, the Committee shall have sole and complete authority to determine the Participants to whom Options and SARs shall be granted, the number of Shares subject to each such Award, the Exercise Price and the conditions and limitations applicable to the exercise of each Option and SAR. An Option may be granted with or without a related SAR. A SAR may be granted with or without a related Option. The grant of an Option or SAR shall occur when the Committee by resolution, written consent or other appropriate action determines to grant such Option or SAR for a particular number of Shares to a particular Participant at a particular Exercise Price, or such

later date as the Committee shall specify in such resolution, written consent or other appropriate action. The Committee shall have the authority to grant Incentive Stock Options, or to grant Non-Qualified Stock Options, or to grant both types of Options. In the case of Incentive Stock Options, the terms and conditions of such grants shall be subject to and comply with Section 422 of the Code, as from time to time amended, and any regulations implementing such statute. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

6.2 *Price.* The Committee in its sole discretion shall establish the Exercise Price at the time each Option or SAR is granted. Except in the case of Substitute Awards, the Exercise Price of an Option or SAR may not be less than one hundred percent (100%) of the Fair Market Value of the Shares with respect to which the Option or SAR is granted on the date of grant of such Option or SAR. Notwithstanding the foregoing and except as permitted by the provisions of Section 4.2 hereof, the Committee shall not have the power to (i) amend the terms of previously granted Options or SARs to reduce the Exercise Price thereof, (ii) cancel such Options or SARs in exchange for cash or a grant of either substitute Options or SARs with a lower Exercise Price than the cancelled Award, or any other Award, (iii) take any other action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the Nasdaq Global Select Market or such other principal securities exchange on which the Shares are traded, in each case without the approval of the Company's shareholders.

6.3 *Term.* Subject to the Committee's authority under Section 3.1 and the provisions of Section 6.5, each Option and SAR and all rights and obligations thereunder shall expire on the date determined by the Committee and specified in the Award Agreement. The Committee shall be under no duty to provide terms of like duration for Options or SARs granted under the Plan. Notwithstanding the foregoing and except as provided in Section 6.4(a) hereof, no Option or SAR shall be exercisable after the expiration of ten (10) years from the date such Option or SAR was granted.

6.4 *Exercise.*

(a) Each Option and SAR shall be exercisable at such times and subject to such terms and conditions as the Committee may, in its sole discretion, specify in the applicable Award Agreement or thereafter. The Committee shall have full and complete authority to determine whether an Option or SAR will be exercisable in full at any time or from time to time during the term of the Option or SAR, or to provide for the exercise thereof in such installments, upon the occurrence of such events and at such times during the term of the Option or SAR as the Committee may determine. The Committee may provide, at or after grant, that the period of time over which an Option, other than an Incentive Stock Option, or SAR may be exercised shall be automatically extended if on the scheduled expiration of such Award, the Participant's exercise of such Award would violate applicable securities law; *provided, however*, that during the extended exercise period the Option or SAR may only be exercised to the extent such Award was exercisable in accordance with its terms immediately prior to such scheduled expiration date; *provided further*, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option or SAR first would no longer violate such laws.

(b) The Committee may impose such conditions with respect to the exercise of Options or SARs, including without limitation, any relating to the application of federal, state or foreign securities laws or the Code, as it may deem necessary or advisable. The exercise of any Option granted hereunder shall be effective only at such time as the sale of Shares pursuant to such exercise will not violate any state or federal securities or other laws.

(c) An Option or SAR may be exercised in whole or in part at any time, with respect to whole Shares only, within the period permitted thereunder for the exercise thereof, and shall be exercised by written notice of intent to exercise the Option or SAR, delivered to the Company at its principal office, and payment in full to the Company at the direction of the Committee of the amount of the Exercise Price for the number of Shares with respect to which the Option is then being exercised.

(d) Payment of the Exercise Price shall be made (i) in cash or cash equivalents, (ii) at the discretion of the Committee, by transfer, either actually or by attestation, to the Company of unencumbered Shares previously acquired by the Participant valued at the Fair Market Value of such Shares on the date of exercise (or next succeeding trading date, if the date of exercise is not a trading date), together with any applicable withholding taxes, such transfer to be upon such terms and conditions as determined by the Committee, (iii) by a combination of such cash (or cash equivalents) and such Shares, or (iv) at the discretion of the Committee and subject to applicable securities laws, by (A) delivering a notice of exercise of the Option and simultaneously selling the Shares thereby acquired, pursuant to a brokerage or similar agreement approved in advance by proper officers of the Company, using the proceeds of such sale as payment of the Exercise Price, together with any applicable withholding taxes or (B) withholding Shares otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price together with any applicable withholding taxes. Until the optionee has been issued the Shares subject to such exercise, he or she shall possess no rights as a stockholder with respect to such Shares.

(e) Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the Shares to be purchased pursuant to the exercise of an Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Award Agreement) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Option shall be net of the number of attested Shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Options may be permitted through the use of such an automated system.

(f) At the Committee's discretion, the amount payable as a result of the exercise of a SAR may be settled in cash, Shares or a combination of cash and Shares. A fractional Share shall not be deliverable upon the exercise of a SAR but a cash payment will be made in lieu thereof.

6.5 *Ten Percent Stock Rule.* Notwithstanding any other provisions in the Plan, if at the time an Option is otherwise to be granted pursuant to the Plan, the optionee or rights holder owns directly or indirectly (within the meaning of Section 424(d) of the Code) Shares of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of Stock of the Company or its parent or Subsidiary or Affiliate corporations (within the meaning of Section 422(b)(6) of the Code), then any Incentive Stock Option to be granted to such optionee or rights holder pursuant to the Plan shall satisfy the requirement of Section 422(c)(5) of the Code, and the Exercise Price shall be not less than one hundred ten percent (110%) of the Fair Market Value of the Shares of the Company, and such Option by its terms shall not be exercisable after the expiration of five (5) years from the date such Option is granted.

Section 7. Restricted Stock and Restricted Stock Units.

7.1 *General.* The Committee may grant Restricted Stock, or the right to purchase Restricted Stock, to any Participant, subject to the Company's right to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares) if conditions the Committee specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Committee establishes for such Award. In addition, the Committee may grant to Participants Restricted Stock Units, which may be subject to vesting and forfeiture conditions during the applicable restriction period or periods, as set forth in an Award Agreement. The Committee will determine and set forth in the Award Agreement the terms and conditions for each Restricted Stock and Restricted Stock Unit Award, subject to the conditions and limitations contained in the Plan.

7.2 Restricted Stock.

(a) Voting Rights; Dividends. Participants holding shares of Restricted Stock will be entitled to all voting rights to which holders of unrestricted Shares are entitled and all ordinary cash dividends paid with respect to such Shares, unless the Committee provides otherwise in the Award Agreement. In addition, unless the Committee provides otherwise, if any dividends or distributions are paid in Shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the Shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid.

(b) Stock Certificates/Book Entry. At the time of a Restricted Share Award, a certificate representing the number of Shares awarded thereunder shall be registered in the name of the grantee. Such certificate shall be held by the Company or any custodian appointed by the Company for the account of the grantee subject to the terms and conditions of the Plan, and shall bear such a legend setting forth the restrictions imposed thereon as the Committee, in its discretion, may determine. The foregoing to the contrary notwithstanding, the Committee may, in its discretion, provide that a Participant's ownership of Restricted Stock prior to the lapse of any transfer restrictions

or any other applicable restrictions shall, in lieu of such certificates, be evidenced by a “book entry” (i.e., a computerized or manual entry) in the records of the Company or its designated agent in the name of the Participant who has received such Award, and confirmation and account statements sent to the Participant with respect to such book-entry Shares may bear the restrictive legend referenced in the preceding sentence. Such records of the Company or such agent shall, absent manifest error, be binding on all Participants who receive Restricted Share Awards evidenced in such manner. The holding of Restricted Stock by the Company or such agent, or the use of book entries to evidence the ownership of Restricted Stock, in accordance with this Section 7.2(a), shall not affect the rights of Participants as owners of the Restricted Stock awarded to them, nor affect the restrictions applicable to such shares under the Award Agreement or the Plan, including the transfer restrictions.

7.3 *Restricted Stock Units.*

(a) Settlement. The Committee may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Participant’s election, in a manner intended to comply with Section 409A.

(b) Stockholder Rights. A Participant will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

(c) Dividend Equivalents. If the Committee provides, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the Participant, settled in cash or Shares and subject to the same restrictions on transferability and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are granted and subject to other terms and conditions as set forth in the Award Agreement.

Section 8. Performance Awards.

8.1 *Grant*. The Committee shall have sole and complete authority to determine the Participants who shall receive a Performance Award, which shall consist of a right that is (i) denominated in cash or Shares (including but not limited to Restricted Stock and Restricted Stock Units), (ii) valued, as determined by the Committee, in accordance with the achievement of such performance goals during such performance periods as the Committee shall establish, and (iii) payable at such time and in such form as the Committee shall determine.

8.2 *Terms and Conditions*. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award and the amount and kind of any payment or transfer to be made pursuant to any Performance Award, and may amend specific provisions of the Performance Award; provided, however, that such amendment may not adversely affect existing Performance Awards made within a performance

period commencing prior to implementation of the amendment without the consent of the affected Participants. No Performance Award shall have a term in excess of ten (10) years.

8.3 *Payment of Performance Awards.* Performance Awards may be paid in a lump sum or in installments following the close of the performance period or, in accordance with the procedures established by the Committee, on a deferred basis. Notwithstanding the foregoing, the Committee may, in its discretion, waive any performance goals and/or other terms and conditions relating to a Performance Award. A Participant's rights to any Performance Award may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of in any manner, except by will or the laws of descent and distribution, and/or except as the Committee may determine at or after grant, but no transfers for consideration shall be permitted.

8.4 *Performance Criteria.* The Committee may grant Performance Awards to Participants based solely upon the attainment of performance targets related to one or more performance goals selected by the Committee from among the goals specified below.

- (a) earnings before interest, taxes, depreciation and/or amortization (EBITDA) or adjusted EBITDA;
- (b) operating income or profit;
- (c) operating efficiencies;
- (d) return on equity, assets, capital, capital employed or investment;
- (e) after tax operating income;
- (f) net income;
- (g) earnings or book value per Share;
- (h) cash flow(s), funds from operations and adjusted funds from operations (as described from time to time in the Company's financial statements);
- (i) total sales or revenues or sales or revenues per employee;
- (j) production (separate work units or SWUs);
- (k) stock price or total shareholder return;
- (l) dividends;
- (m) debt reduction;
- (n) strategic business objectives, consisting of one or more objectives based on meeting specified cost targets, business expansion goals and goals relating to acquisitions or divestitures; or

- (o) any combination thereof.

Each goal may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on internal targets, the past performance of the Company or any Subsidiary, operating unit, business segment or division of the Company and/or the past or current performance of other companies, and in the case of earnings-based measures, may use or employ comparisons relating to capital, shareholders' equity and/or Shares outstanding, or to assets or net assets. The Committee may appropriately adjust any evaluation of performance under criteria set forth in this [Section 8.4](#) to exclude any of the following events that occurs during a performance period: (i) asset impairments or write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) any items that are "unusual in nature" or "infrequently occurring" within the meaning of generally accepted accounting principles or other extraordinary items that are included within management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders for the applicable year, (vi) the effect of adverse governmental or regulatory action, or delays in governmental or regulatory action; (vii) any other event either not directly related to the operations of the Company or not within the reasonable control of the Company's management; and (viii) any other similar item or event selected by the Committee in its sole discretion. Adjustments made pursuant to this [Section 8.4](#) shall not be considered an amendment for purposes of [Section 8.2](#) or [Section 13.2](#).

Section 9. Other Stock-Based Awards.

The Committee shall have the authority to determine the Participants who shall receive an Other Stock-Based Award, which shall consist of any right that is (i) not an Award described in [Sections 6](#) or [7](#) above and (ii) an Award of Shares or an Award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of any such Other Stock-Based Award. No Other Stock-Based Award shall have a term in excess of ten (10) years.

Section 10. Non-Employee Director Awards.

10.1 *Awards Generally.* The Board may provide that all or a portion of a Non-Employee Director's annual retainer, meeting fees and/or other awards or compensation as determined by the Board, be payable (either automatically or at the election of a Non-Employee Director) in the form of Non-Qualified Stock Options, SARs, Restricted Stock, Restricted Stock Units and/or Other Stock-Based Awards, including unrestricted Shares. The Board shall determine the terms and conditions of any such Awards, including the terms and conditions which shall apply upon a termination of the Non-Employee Director's Service Relationship, and shall have full power and authority in its discretion to administer such Awards, subject to the terms of the Plan and applicable law. With respect to such Awards, all references in the Plan to the Committee shall be deemed to be references to the Board.

10.2 *Non-Employee Director Limits.* Notwithstanding anything herein to the contrary, the aggregate value of all compensation paid or granted, as applicable, to any individual for service as a Non-Employee Director with respect to any calendar year, including equity Awards granted and cash fees paid by the Company to such Non-Employee Director, shall not exceed seven hundred thousand dollars (\$700,000) in value, calculating the value of any equity Awards granted during such calendar year based on the grant date fair value of such Awards for financial reporting purposes. The Board may make exceptions to the applicable limit in this Section 10.3 for individual Non-Employee Directors in extraordinary circumstances, such as where any such individual Non-Employee Directors are serving on a special litigation or transactions committee of the Board, as the Board may determine in its discretion, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation involving such Non-Employee Director.

Section 11. Termination of Employment.

The Committee shall have the full power and authority to determine the terms and conditions that shall apply to any Award upon a termination of employment or other Service Relationship with the Company, its Subsidiaries and Affiliates, including a termination by the Company with or without Cause, by a Participant voluntarily, or by reason of death, Disability or Retirement, and may provide such terms and conditions in the Award Agreement or in such rules and regulations as it may prescribe.

Section 12. Change in Control.

12.1 *Assumption or Replacement of Awards by Successor.* Except as otherwise provided in an Award Agreement or other contractual agreement between the Company (or an Affiliate) and the applicable Participant, in the event that the Company is subject to a Change in Control, outstanding Awards acquired under the Plan shall be subject to the agreement evidencing the Change in Control, which need not treat all outstanding Awards in an identical manner. Such agreement, without the Participant's consent, shall provide for one or more of the following with respect to all outstanding Awards as of the effective date of such Change in Control:

(a) the continuation or assumption of an outstanding Award by the successor or acquiring entity (if any) of such Change in Control (or by its parents, if any), which continuation or assumption, will be binding on all selected Participants; *provided* that the exercise price and the number and nature of shares issuable upon exercise of any such Option or SAR, or any Award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable; *provided further*, that , if, within twelve months after the Company obtains actual knowledge that a Change in Control has occurred, a Participant's Service Relationship is terminated by the Company or an Affiliate (or any of their successors) without Cause or by the Participant for Good Reason, all continued or assumed Awards of such Participant shall vest, become immediately exercisable and payable and have all restrictions lifted;

(b) the substitution by the successor or acquiring entity in such Change in Control (or by its parents, if any) of equivalent awards with substantially the same terms for such outstanding Awards (except that the exercise price and the number and nature of shares issuable upon exercise

of any such Option or SAR, or any Award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable); *provided* that if, within twelve months after the Company obtains actual knowledge that a Change in Control has occurred, a Participant's Service Relationship is terminated by the Company or an Affiliate (or any of their successors) without Cause or by the Participant for Good Reason, all substituted Awards of such Participant shall vest, become immediately exercisable and payable and have all restrictions lifted;

(c) the full or partial acceleration of exercisability or vesting and accelerated expiration of an outstanding Award and lapse of the Company's right to repurchase or re-acquire shares acquired under an Award or lapse of forfeiture rights with respect to shares acquired under an Award; and

(d) the settlement of the full value of such outstanding Award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its parent, if any) with a Fair Market Value equal to the required amount, followed by the cancellation of such Awards; *provided however*, that such Award may be cancelled if such Award has no value, as determined by the Committee, in its discretion. Subject to Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates the Award would have become exercisable or vested. Such payment may be subject to vesting based on the Participant's continued service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which the Award would have become vested or exercisable. For purposes of this Section 12.1(e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

The Board shall have full power and authority to assign the Company's right to repurchase or re-acquire or forfeiture rights to such successor or acquiring corporation. In addition, in the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Change in Control, the Committee will notify the Participant in writing or electronically that such Award will be exercisable for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period. Awards need not be treated similarly in a Change in Control.

12.2 *Assumption of Awards by the Company.* The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the purchase price or the Exercise Price, as the case may be, and the number and nature of Shares issuable upon exercise or settlement of any such Award will be adjusted appropriately pursuant to Section 424(a) and/or Section 409A of the Code). In the event the Company elects to grant a new

Option in substitution rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

12.3 *Non-Employee Directors' Awards.* Notwithstanding any provision to the contrary herein, in the event of a Change in Control, the vesting of all Awards granted to Non-Employee Directors will accelerate and such Awards will become exercisable (as applicable) in full prior to the consummation of such event at such times and on such conditions as the Committee determines.

Section 13. Amendment and Termination.

13.1 *Amendments to the Plan.* The Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time (and in accordance with Section 409A of the Code with regard to Awards subject thereto); provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without stockholder approval if such approval is necessary to comply with any tax or regulatory requirement (including the rules and regulations of the principal securities market or exchange on which the Shares are traded) for which or with which the Board deems it necessary or desirable to comply.

13.2 *Amendments to Awards.* Subject to the restrictions of [Section 6.2](#), the Committee may waive any conditions or rights under, amend any terms of or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively (and in accordance with Section 409A of the Code with regard to Awards subject thereto); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

13.4 *Recoupment of Awards.* Any Award granted pursuant to this Plan shall be subject to mandatory repayment by the Participant to the Company (i) to the extent set forth in any Award Agreement, (ii) to the extent that such Participant is, or in the future becomes, subject to (a) any "clawback" or recoupment policy adopted by the Company or any Affiliate thereof to comply with the requirements of any applicable laws, rules or regulations, including pursuant to final rules adopted by the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, or otherwise, or (b) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, including the Sarbanes-Oxley Act of 2002.

Section 14. General Provisions.

14.1 *Limited Transferability of Awards.* No Award shall be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant, except by will or the laws of descent and distribution and/or, in the case of Non-Qualified Stock Options or SARs only, as may be provided by the Committee in its discretion at or after grant in the Award Agreement, but in no event shall an Award be transferred to a third party for consideration. No transfer of an Award by will or by laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and an authenticated copy of the

will and/or such other evidence as the Committee may deem necessary or appropriate to establish the validity of the transfer.

14.2 *Dividend Equivalents.* Subject to Section 4.2, no dividend equivalent rights shall be granted with respect to Options or SARs, but in the sole and complete discretion of the Committee, any other Award may provide the Participant with dividends or dividend equivalents, payable in cash, Shares, other securities or other property on a current or deferred basis. All dividend or dividend equivalents which are not paid currently may, at the Committee's discretion, accrue interest, be reinvested into additional Shares, or, in the case of dividends or dividend equivalents credited in connection with Performance Awards, be credited as additional Performance Awards and paid to the Participant if and when, and to the extent that, payment is made pursuant to such Award.

14.3 *Compliance with Section 409A of the Code.* No Award (or modification thereof) shall provide for deferral of compensation that does not comply with Section 409A of the Code unless the Committee, at the time of grant, specifically provides that the Award is not intended to comply with Section 409A of the Code. Notwithstanding any provision of this Plan to the contrary, if one or more of the payments or benefits received or to be received by a Participant pursuant to an Award would cause the Participant to incur any additional tax or interest under Section 409A of the Code, the Committee may reform such provision to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of section 409A of the Code. In the event that it is reasonably determined by the Board or Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code; which, if the Participant is a "specified employee" within the meaning of the Section 409A, shall be the first day following the six-month period beginning on the date of Participant's termination of employment. Unless otherwise provided in an Award Agreement or other document governing the issuance of such Award, payment of any Performance Award intended to qualify as a "short term deferral" within the meaning of Section 1.409A-1(b)(4)(i) of the U.S. Treasury Regulations shall be made between the first day following the close of the applicable Performance Period and the last day of the "applicable 2 ½ month period" as defined therein. Notwithstanding the foregoing, each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on him or her, or in respect of any payment or benefit delivered in connection with the Plan (including any taxes and penalties under Section 409A of the Code), and the Corporation shall not have any obligation to indemnify or otherwise hold any Participant harmless from any of such taxes or penalties.

14.4 *No Rights to Awards.* No Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards need not be the same with respect to each Participant.

14.5 *Share Certificates.* All certificates for Shares or other securities of the Company or any Subsidiary or Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem

advisable under the Plan or the rules, regulations and other requirements of the SEC or any state securities commission or regulatory authority, any stock exchange or other market upon which such Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

14.6 *Withholding.* A Participant may be required to pay to the Company or any Subsidiary or Affiliate and the Company or any Subsidiary or Affiliate shall have the right and is hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan, or from any compensation or other amount owing to a Participant, the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding or other tax-related obligations in respect of an Award, its exercise or any other transaction involving an Award, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. Without limiting the generality of the foregoing, the Committee may in its discretion permit a Participant to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to an Award by: (a) electing to have the Company withhold Shares or other property otherwise deliverable to such Participant pursuant to the Award (provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required federal, state local and foreign withholding obligations using the maximum or other applicable statutory withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income) and/or (b) tendering to the Company Shares owned by such Participant (or by such Participant and his or her spouse jointly) and purchased or held for the requisite period of time, in each case (x) as may be required to avoid the Company's or the Affiliates' or Subsidiaries' incurring an adverse accounting charge and (y) based on the Fair Market Value of the Shares on the wage payment date as determined by the Committee. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

14.7 *Award Agreements.* Each Award hereunder shall be evidenced by an Award Agreement that shall be delivered to the Participant and may specify the terms and conditions of the Award and any rules applicable thereto. In the event of a conflict between the terms of the Plan and any Award Agreement, the terms of the Plan shall prevail. The Committee shall, subject to applicable law, determine the date an Award is deemed to be granted. The Committee or, except to the extent prohibited under applicable law, its delegate(s) may establish the terms of agreements or other documents evidencing Awards under this Plan and may, but need not, require as a condition to any such agreement's or document's effectiveness that such agreement or document be executed by the Participant, including by electronic signature or other electronic indication of acceptance, and that such Participant agree to such further terms and conditions as specified in such agreement or document. The grant of an Award under this Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in this Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the agreement or other document evidencing such Award.

14.8 *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of Options, SARs, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards or other types of Awards provided for hereunder.

14.9 *No Right to Employment.* The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary or Affiliate. Further, the Company or a Subsidiary or Affiliate may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in an Award Agreement.

14.10 *No Rights as Stockholder.* Subject to the provisions of the Plan and the applicable Award Agreement, no Participant or holder or beneficiary of any Award shall have any rights as a stockholder with respect to any Shares to be distributed under the Plan until such person has become a holder of such Shares. Notwithstanding the foregoing, in connection with each grant of Restricted Stock hereunder, the applicable Award Agreement shall specify if and to what extent the Participant shall not be entitled to the rights of a stockholder in respect of such Restricted Stock.

14.11 *Data Privacy.* As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this section by and among the Company and its Subsidiaries and affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and affiliates; and Award details, to implement, manage and administer the Plan and Awards (the "Data"). The Company and its Subsidiaries and affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant's participation in the Plan, and the Company and its Subsidiaries and affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 14.11 in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Committee's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this Section 14.11. For

more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

14.12 *Governing Law.* The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

14.13 *Severability.* If any provision of the Plan or any Award is, or becomes, or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

14.14 *Other Laws.* The Committee may refuse to issue or transfer any Shares or other consideration under an Award if, acting in its sole discretion, it determines that the issuance or transfer of such Shares or such other consideration might violate any applicable law or regulation (including applicable non-U.S. laws or regulations) or entitle the Company to recover the same under Exchange Act Section 16(b), and any payment tendered to the Company by a Participant, other holder or beneficiary in connection with the exercise of such Award shall be promptly refunded to the relevant Participant, holder or beneficiary.

14.15 *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Subsidiary or Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Subsidiary or Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Subsidiary or Affiliate.

14.16 *No Fractional Shares.* No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

14.17 *Headings.* Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 15. Term of the Plan.

15.1 *Effective Date.* The Plan shall be effective as of _____, 2018 (the "Effective Date"), provided it has been approved by the Company's shareholders.

15.2 *Expiration Date.* No new Awards shall be granted under the Plan after the tenth (10th) anniversary of the Effective Date. Unless otherwise expressly provided in the Plan or in an applicable

Award Agreement, any Award granted hereunder may, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award or to waive any conditions or rights under any such Award shall, continue after the tenth (10th) anniversary of the Effective Date.

i3 VERTICALS, INC.
RESTRICTED STOCK AWARD AGREEMENT
(Officers and Employees)

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Agreement") is made and entered into as of the ___ day of _____, 20__ (the "Grant Date"), between i3 Verticals, Inc., a Delaware corporation (together with its Subsidiaries, the "Company"), and _____, (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the i3 Verticals Inc. 2018 Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of Restricted Stock of the Company's Class A common stock, par value \$0.0001 per share (the "Common Stock"); and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted an award of Restricted Stock to the Grantee as provided herein.

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

1. Grant of Restricted Stock.

(a) The Company hereby grants to the Grantee an award (the "Award") of _____ shares of Common Stock of the Company (the "Shares" or the "Restricted Stock") on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the dates on which the restrictions shall lapse in accordance with Sections 2 and 3 hereof.

2. Terms and Rights as a Stockholder.

(a) Except as provided herein and subject to such other exceptions as may be determined by the Committee in its discretion, the "Restricted Period" shall expire with respect to _____ percent (___%) of the Shares granted herein on each of the first ___ anniversaries of the Grant Date.

(b) The Grantee shall have all rights of a stockholder with respect to the Restricted Stock, including the right to receive dividends and the right to vote such Shares, subject to the following restrictions:

(i) the Grantee shall not be entitled to the removal of the restricted legends or restricted account notices or to delivery of the stock certificate (if any) for any Shares until the expiration of the Restricted Period as to such Shares and the fulfillment of any other restrictive conditions set forth herein;

(ii) none of the shares of Restricted Stock may be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered or disposed of during the Restricted Period as to such Shares and until the fulfillment of any other restrictive conditions set forth herein; and

(iii) except as otherwise determined by the Committee at or after the grant of the Award, any shares of Restricted Stock as to which the applicable "Restricted Period" has not expired (or other restrictive conditions have not been met) shall be forfeited, and all rights of the Grantee to such Shares shall terminate, without further obligation or action on the part of the Company, upon the termination of the Grantee's Service Relationship with the Company prior to the end of the Restricted Period applicable to such Shares.

(c) Notwithstanding the foregoing, the Restricted Period shall automatically terminate as to all shares of Restricted Stock awarded hereunder (as to which such Restricted Period has not previously terminated), and such Shares shall vest and become subject to Section 3 hereof, in the following circumstances:

(i) upon the termination of the Grantee's Service Relationship with the Company which results from the Grantee's death or Disability;

(ii) upon the termination of the Grantee's Service Relationship with the Company (or its successor) within one year following a Change in Control, if the Grantee's Service Relationship with the Company (or its successor) is terminated by (A) the Grantee for Good Reason, or (B) the Company (or its successor) for any reason other than for Cause; *provided*, that in the event this Award is not assumed by the Acquiror under the terms set forth in Section 12.1 of the Plan, the Restricted Period shall automatically terminate as to all shares of Restricted Stock awarded hereunder (to the extent not previously terminated or forfeited).

Any Shares, any other securities of the Company and any other property (except for cash dividends) distributed with respect to the Shares of Restricted Stock shall be subject to the same restrictions, terms and conditions as such of Restricted Stock.

3. Termination of Restrictions. Following the termination of the Restricted Period, and provided that all other restrictive conditions set forth herein have been met, all restrictions set forth in this Agreement or in the Plan relating to such portion or all, as applicable, of the shares of Restricted Stock shall lapse as to such portion or all, as applicable, of the Shares, and a stock certificate for the appropriate number of Shares, free of the restrictions and restrictive stock legend, shall, upon request, be delivered to the Grantee or Grantee's beneficiary or estate, as the case may be, pursuant to the terms of this Agreement (or, in the case of book-entry Shares, such restrictions and restricted stock legend shall be removed from the confirmation and account statements delivered to the Grantee in book-entry form).

4. Delivery of Shares.

(a) As of the date hereof, certificates representing the Restricted Stock may be registered in the name of the Grantee and held by the Company or transferred to a custodian appointed by the Company for the account of the Grantee subject to the terms and conditions of the Plan and shall remain in the custody of the Company or such custodian until their delivery to the Grantee or

Grantee's beneficiary or estate as set forth in Sections 4(b) and (c) hereof or their forfeiture or reversion to the Company as set forth in Section 2(b) hereof. The Committee may, in its discretion, provide that the Grantee's ownership of the Restricted Stock prior to the lapse of any transfer restrictions or any other applicable restrictions shall, in lieu of such certificates, be evidenced by a "book entry" (i.e. a computerized or manual entry) in the records of the Company or its designated agent in accordance with and subject to the applicable provisions of the Plan.

(b) If certificates shall have been issued as permitted in Section 4(a) above, certificates representing shares of Restricted Stock in respect of which the Restricted Period has lapsed pursuant to this Agreement shall be delivered to the Grantee upon request following the date on which the restrictions on such Shares lapse.

(c) If certificates shall have been issued as permitted in Section 4(a) above, certificates representing Shares in respect of which the Restricted Period lapsed upon the Grantee's death shall be delivered to the executors or administrators of the Grantee's estate as soon as practicable following the receipt of proof of the Grantee's death satisfactory to the Company.

(d) Any certificate representing shares of Restricted Stock shall bear (and confirmation and account statements sent to the Grantee with respect to book-entry Shares may bear) a legend in substantially the following form or substance:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND UNDER APPLICABLE BLUE SKY LAW OR UNLESS SUCH SALE, TRANSFER, PLEDGE OR OTHER DISPOSITION IS EXEMPT FROM REGISTRATION THEREUNDER.

THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE i3 VERTICALS INC. 2018 EQUITY INCENTIVE PLAN (THE "PLAN") AND THE RESTRICTED STOCK AWARD AGREEMENT (THE "AGREEMENT") BETWEEN THE OWNER OF THE RESTRICTED STOCK REPRESENTED HEREBY AND i3 VERTICALS, INC. (THE "COMPANY"). THE RELEASE OF SUCH SHARES FROM SUCH TERMS AND CONDITIONS SHALL BE MADE ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE PLAN AND THE AGREEMENT AND ALL OTHER APPLICABLE POLICIES AND PROCEDURES OF THE COMPANY, COPIES OF WHICH ARE ON FILE AT THE COMPANY.

5. Effect of Lapse of Restrictions. To the extent that the Restricted Period applicable to any shares of Restricted Stock shall have lapsed, the Grantee may receive, hold, sell or otherwise dispose of such Shares free and clear of the restrictions imposed under the Plan and this Agreement upon compliance with applicable legal requirements.

6. No Right to Continued Employment. This Agreement shall not be construed as giving the Grantee the right to be retained in the employ of the Company, and subject to any other written contractual arrangement between the Company and the Grantee, the Company may at any time dismiss the Grantee from employment, free from any liability or any claim under the Plan.

7. Adjustments. The Committee may make equitable and proportionate adjustments in the terms and conditions of, and the criteria included in, this Award in recognition of unusual or nonrecurring events (and shall make adjustments for the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles in accordance with the Plan whenever the Committee determines that such events affect the Shares. Any such adjustments shall be effected in a manner that precludes the material enlargement of rights and benefits under this Award.

8. Amendment to Award. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

9. Withholding of Taxes. If the Grantee makes an election under Section 83(b) of the Code with respect to the Award, the Award made pursuant to this Agreement shall be conditioned upon the prompt payment to the Company of any applicable withholding obligations or withholding taxes by the Grantee ("Withholding Taxes"). Failure by the Grantee to pay such Withholding Taxes will render this Agreement and the Award granted hereunder null and void *ab initio* and the Restricted Stock granted hereunder will be immediately cancelled. If the Grantee does not make an election under Section 83(b) of the Code with respect to the Award, upon the lapse of the Restricted Period with respect to any portion of Restricted Stock (or property distributed with respect thereto), the Company may satisfy the required Withholding Taxes as set forth by Internal Revenue Service guidelines for the employer's statutory withholding with respect to the Grantee and issue vested shares to the Grantee without restriction. The Company may satisfy the required Withholding Taxes by withholding from the Shares included in the Award that number of whole shares necessary to satisfy such taxes as of the date the restrictions lapse with respect to such Shares based on the Fair Market Value of the Shares, or by requiring the Grantee to remit to the Company the proper Withholding Taxes in cash.

10. Plan Governs. The Grantee hereby acknowledges receipt of a copy of (or electronic link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

11. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent

of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

12. Notices. All notices required to be given under this Award shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company:

i3Verticals, Inc.
40 Burton Hills Boulevard, Suite 415
Nashville, Tennessee 37215
Attn: Paul Maple, General Counsel
E-mail: pmaple@i3verticals.com

To the Grantee:

The address then maintained with respect to the Grantee in the Company's records.

13. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

14. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

15. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

IN WITNESS WHEREOF, the parties have caused this Restricted Stock Award Agreement to be duly executed effective as of the day and year first above written.

i3 VERTICALS, INC.

By: _____

GRANTEE:

**i3 VERTICALS, INC.
2018 EQUITY INCENTIVE PLAN
NOTICE OF STOCK OPTION GRANT**

i3 Verticals, Inc. (the “Company”), pursuant to its 2018 Equity Incentive Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”) an option (the “Option”) to purchase the number of shares of Class A common stock of the Company (“Shares”) set forth below. The Option is subject to the terms and conditions set forth in this Notice of Stock Option Grant (the “Grant Notice”), the Stock Option Award Agreement attached hereto as Exhibit A (the “Agreement”) and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in the Grant Notice and the Agreement.

Participant:

Grant Date:

Exercise Price per Share: \$

Total Number of Shares Subject to the Option: shares

Expiration Date:

Vesting Schedule:

Type of Option: [Non-Qualified Stock Option][Incentive Stock Option]

By accepting (whether in writing, electronically or otherwise) the Option, Participant acknowledges and agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Participant has reviewed the Agreement, the Plan and the Grant Notice in their entirety and fully understands all provisions thereof. Participant understands that Participant’s employment or consulting relationship with the Company (or an Affiliate) is for an unspecified duration, can be terminated at any time (i.e., is “at-will”), except where otherwise prohibited by applicable law, and that nothing in this Grant Notice, the Agreement or the Plan changes the nature of that relationship. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Grant Notice or the Agreement.

i3 VERTICALS, INC.

PARTICIPANT

By: _____

By: _____

Its: _____

Print Name: _____

EXHIBIT A

**i3 VERTICALS, INC.
STOCK OPTION AWARD AGREEMENT**

Unless otherwise defined in this Stock Option Award Agreement (this “Agreement”), any capitalized terms used herein will have the meaning ascribed to them in the i3 Verticals, Inc. 2018 Equity Incentive Plan, as amended from time to time (the “Plan”). Participant has been granted an option to purchase Shares (the “Option”) of i3 Verticals, Inc. (the “Company”), subject to the terms, restrictions and conditions of the Plan, the Notice of Stock Option Grant (the “Notice”) and this Agreement.

**ARTICLE I
GENERAL**

The Option is subject to the terms and conditions set forth in this Agreement and in the Grant Notice and the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

**ARTICLE II
GRANT OF OPTION**

2.1 Grant of Option. In consideration of Participant’s past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the “Grant Date”), the Company has granted to Participant the Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustments as provided in Section 4.2 of the Plan. If the Grant Notice indicates that the Option is intended to qualify as an “incentive stock option”, the provisions of the plan applicable to Incentive Stock Options shall apply.

2.2 Exercise Price. The Exercise Price shall be as set forth in the Grant Notice.

2.3 Consideration to the Company. In consideration of the grant of the Option by the Company, Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Plan, the Grant Notice or this Agreement shall confer upon Participant any right to continue in the employ or service of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

ARTICLE III
PERIOD OF EXERCISABILITY

3.1 Commencement of Exercisability. Subject to the provisions of Article III, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the Grant Notice. The Option shall not be exercisable prior to the applicable vesting date.

(a) Participant acknowledges that the vesting of the Option pursuant to this Agreement and the Grant Notice is subject to Participant's continuing Service Relationship. Except as otherwise provided in this Section 3.1, Participant's right to vest in the Option will terminate as of the date on which Participant's Service Relationship is terminated.

(b) Notwithstanding Section 3.1(a), upon the termination of the Participant's Service Relationship with the Company on account of the Participant's death or Disability, one hundred percent (100%) of the Option that has not yet vested shall vest and be exercisable at such time as set forth in the Grant Notice and this Article III.

(c) Notwithstanding anything contained herein to the contrary, upon the occurrence of a Change in Control in which this Option is not continued or assumed, or with respect to which a substituted award is not issued to the Participant, in each case under the terms and conditions set forth in Section 12.1(a) or (b) of the Plan, this Option shall become vested with respect to one hundred percent of the Shares covered hereby (to the extent not previously forfeited or canceled) and to the extent not exercised prior to the effective time of the Change in Control transaction, shall be canceled in exchange for a payment with respect to each Share covered by this Option in (i) cash, (ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per Share in the Change in Control, reduced by the exercise price per Share covered by this Option (which payment may, for the avoidance of doubt, be \$0, in the event the per share exercise price of the Option is greater than the per share consideration in connection with the Change in Control). The Committee may provide that Options whose vesting will be accelerated pursuant to this Section 3.1(c) may be exercisable for a period of time determined by the Committee prior to the effective time of the Change in Control.

3.2 Duration of Exercisability. The Option shall remain vested and exercisable until it becomes unexercisable under Section 3.3 hereof. Participant is responsible for keeping track of these exercise periods following Participant's termination of its Service Relationship for any reason. The Company will not provide further notice of such periods.

3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The expiration date set forth in the Grant Notice;

(b) Except as the Committee may otherwise approve, in the event the Participant's Service Relationship is terminated other than for Cause or by reason of Participant's death or Disability, the expiration of three (3) months from the date of the termination of the Participant's Service Relationship;

(c) Except as the Committee may otherwise approve, the expiration of one (1) year from the date of the termination of the Participant's Service Relationship by reason of Participant's death or Disability; or

(d) Except as the Committee may otherwise approve, on the date of the termination of the Participant's Service Relationship by the Company for Cause, or if earlier, the date on which the basis for a termination for Cause existed; or

(e) The Option is cancelled pursuant to Section 3.1(c).

In the case of (a) or (b) above, the period of time over which this Option may be exercised shall be automatically extended if on the scheduled expiration of the Option, the Participant's exercise of such Option would violate applicable securities law; provided, however, that during the extended exercise period the Option may only be exercised to the extent the Option was exercisable in accordance with its terms immediately prior to such scheduled expiration date; and provided further, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option first would no longer violate such laws.

ARTICLE IV EXERCISE OF OPTION

4.1 Person Eligible to Exercise. Unless otherwise provided by the Committee in its sole discretion, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, the Option may, prior to the time when the Option becomes unexercisable under Section 3.3 hereof, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

4.2 Manner of Exercise. The Option may be exercised, in whole or in part, at the times set forth in Article III solely by delivery to the Secretary of the Company (or any other person or entity designated by the Company), during regular business hours in person, by mail, via electronic mail or facsimile or by other authorized method of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3 hereof:

(a) An exercise notice in a form specified by the Committee, stating that the Option or portion thereof is thereby exercised and complying with all applicable rules established by the Committee;

(b) The receipt by the Company of full payment for the Shares with respect to which the Option or portion thereof is exercised, in such form of consideration permitted under Section 4.3 hereof that is acceptable to the Committee;

(c) The payment of any applicable withholding tax in accordance with Section 4.4;

(d) Any other written representations or documents as may be required in the Committee's sole discretion to effect compliance with applicable law; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 4.1 hereof by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option. Notwithstanding any of the foregoing, the Committee shall have the right to specify all conditions of the manner of exercise, which conditions may vary by Participant and which may be subject to change from time to time.

4.3 Method of Payment. Payment of the exercise price shall be by any of the following, or a combination thereof:

(a) Cash or check;

(b) With the consent of the Committee, surrender of Shares (including, without limitation, Shares otherwise issuable upon exercise of the Option that are withheld by the Company) held for such period of time as may be required by the Committee in order to avoid adverse accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof;

(c) With the consent of the Committee and subject to Section 5.17, through the delivery of a notice that Participant has placed a market sell order with a broker designated by the Company with respect to the Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option Exercise Price; provided that payment of such proceeds is then made to the Company at such time as may be required by the Committee, but in any event not later than the settlement of such sale; or

(d) Any other form of legal consideration acceptable to the Committee.

4.4 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Company and its Subsidiaries have the authority to deduct or withhold, or require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by law to be withheld with respect to any taxable event arising pursuant to this Agreement. The Company and its Subsidiaries may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company or the Subsidiary with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other cash compensation payable to Participant;

(iii) with the consent of the Committee, by requesting that the Company withhold a net number of Shares issuable upon the exercise of the Option having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on a rate not to exceed the maximum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes;

(iv) with the consent of the Committee, by tendering to the Company Shares having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries due upon the exercise of the Option based on a rate not to exceed the maximum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes;

(v) with the consent of the Committee, through the delivery of a notice that Participant has placed a market sell order with a broker designated by the Company with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Subsidiary with respect to which the withholding obligation arises in satisfaction of such withholding taxes; provided that payment of such proceeds is then made to the Company or the applicable Subsidiary at such time as may be required by the Committee, but in any event not later than the settlement of such sale; or

(vi) in any combination of the foregoing.

(b) With respect to any withholding taxes arising in connection with the Option, in the event Participant fails to provide timely payment of all sums required pursuant to Section 4.4(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 4.4(a)(ii) or Section 4.4(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the exercise of the Option to Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Participant resulting from the exercise of the Option or any other taxable event related to the Option.

(c) Participant is ultimately liable and responsible for all taxes owed in connection with the Option, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the Option. Neither the

Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company and the Subsidiaries do not commit, and are under no obligation, to structure the Option to reduce or eliminate Participant's tax liability.

4.5 Conditions to Issuance of Stock. The Company shall not be required to issue or deliver any Shares purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions: (A) the admission of such Shares to listing on all stock exchanges on which such Shares are then listed, (B) the completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, that the Committee shall, in its absolute discretion, deem necessary or advisable, (C) the obtaining of any approval or other clearance from any state or federal governmental agency that the Committee shall, in its absolute discretion, determine to be necessary or advisable, (D) the receipt by the Company of full payment for such shares of Stock, which may be in one or more of the forms of consideration permitted under Section 4.3 hereof, and (E) the receipt of full payment of any applicable withholding tax in accordance with Section 4.4 by the Company or its Subsidiary with respect to which the applicable withholding obligation arises.

4.6 Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any shares of Stock purchasable upon the exercise of any part of the Option unless and until certificates representing such shares of Stock (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including through electronic delivery to a brokerage account). No adjustment will be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 4.2 of the Plan.

ARTICLE V OTHER PROVISIONS

5.1 Administration. The Committee shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to applicable law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

5.2 Whole Shares. The Option may be exercised only for whole shares of Stock.

5.3 Option Not Transferable. Subject to Section 4.1 hereof, the Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and

distribution, unless and until the shares of Stock underlying the Option have been issued, and all restrictions applicable to such shares of Stock have lapsed. Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

5.4 Adjustments. Upon the occurrence of certain events relating to the Shares contemplated by Section 4.2 of the Plan (including, without limitation, an extraordinary cash dividend on such Shares), the Committee shall make such adjustments as the Committee deems appropriate in the number of Shares subject to the Option, the exercise price of the Option and the kind of securities that may be issued upon exercise of the Option. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 4.2 of the Plan.

5.5 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 5.5, either party may hereafter designate a different address for notices to be given to that party. Any notice that is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise the Option pursuant to Section 4.1 hereof by written notice under this Section 5.5. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

5.6 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.7 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

5.8 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all applicable laws, including, without limitation, the provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to applicable law. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to applicable law.

5.9 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board, provided that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the Option in any material way without the prior written consent of Participant.

5.10 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 5.3 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Option, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

5.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.13 Section 409A. This Award is not intended to constitute “deferred compensation” within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, “Section 409A”). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Committee determines that this Award (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Nothing in the Plan or this Agreement shall be construed to make the Company liable to Participant for any tax, interest, or penalties that Participant might owe as a result of the grant, holding, vesting, exercise, or payment of this Option or any Stock related thereto.

5.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.15 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Stock as a general unsecured creditor with respect to options, as and when exercised pursuant to the terms hereof.

5.16 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which shall be deemed an original and all of which together shall constitute one instrument.

5.17 Broker-Assisted Sales. In the event of any broker-assisted sale of shares of Stock in connection with the payment of the exercise price as provided in Section 4.4(c) or withholding taxes as provided in Section 4.4(a)(v) or Section 4.4(c) : (A) any Shares to be sold through a broker-assisted sale will be sold on the day the tax withholding obligation or exercise of the Option, as applicable, occurs or arises, or as soon thereafter as practicable; (B) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (C) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (D) to the extent the proceeds of such sale exceed the applicable tax withholding obligation or exercise price, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (E) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable tax withholding obligation or exercise price; and (F) in the event the proceeds of such sale are insufficient to satisfy the applicable tax withholding obligation, Participant agrees to pay immediately upon demand to the Company or its Subsidiary with respect to which the withholding obligation arises, an amount sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's withholding obligation.

5.18 Award Subject to Company Clawback or Recoupment. The Option shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of Participant's Service Relationship that is applicable to Participant. In addition to any other remedies available under such policy, applicable law may require the cancellation of Participant's Option (whether vested or unvested) and the recoupment of any gains realized with respect to Participant's Option.

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** ("Agreement") is effective as of May 5, 2014 (the "Effective Date") by and between **CHARGE PAYMENT, LLC**, a Delaware limited liability Company (the "Company"), and **CLAY M. WHITSON** ("Employee").

WITNESSETH:

WHEREAS, Company desires to employ Employee as the chief financial officer of the Company, and Employer desires to accept such employment;

WHEREAS, the Company and Employee wish to memorialize their understanding of the terms of the Employee's employment with the Company, the financial obligations of the Company to the Employee, and to specify certain rights, responsibilities and duties of Employee;

WHEREAS, the Company and Employee desire to memorialize their understanding of the rights, duties and responsibilities of the parties;

NOW, THEREFORE, based upon the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I. RESPONSIBILITIES

Beginning on the Effective Date, Employee will be employed by Company to serve as chief financial officer of the Company with the powers and responsibilities set forth for such position in that certain Third Amended and Restated Operating Agreement, dated January 14, 2014 (the "Operating Agreement"), of the Company and such other duties as may be delegated or assigned by the chief executive officer of the Company or by the managing board of the Company (the "Board"). Employee accepts employment upon the terms set forth in this Agreement and will perform such duties diligently to the best of his abilities in a manner that promotes the interests and goodwill of the Company. Employee will faithfully devote his best efforts and his working time to and for the benefit of the Company; provided, however, that Employee may, at his option, devote reasonable time and attention to civic, charitable, business or social organizations or speaking engagements as he deems appropriate and that does not reasonably interfere with the performance of his duties hereunder. Nothing in this Agreement shall be construed to prohibit Employee from investing in other businesses, so long as such investment activity is passive, is consistent with Employee's duties hereunder and is permissible under Section 4.1. Employee is currently a member of the Company's Board, and the Company will take all reasonable efforts to ensure that Employee is annually elected to the Company's Board.

ARTICLE II. COMPENSATION

Section 2.1 GENERAL TERMS.

(a) *Base compensation.* For the twelve-month period beginning May 5, 2014, the Company shall provide basic compensation to the Employee at the rate of \$200,000 payable in accordance with the Company's ordinary payroll policies. Thereafter, base compensation shall be continued for the term of Employee's employment, but the rate thereof shall be reviewed annually by the board of directors of

the Company (the "Board") or the compensation committee of the Board. Any increases that are memorialized in the minutes of the Board shall be incorporated herein by reference without further action by the Employee or Company.

(b) *Bonus.* Employee shall be paid each year a bonus of 50% of the amount specified in Section 2.1(a), provided that Employee has satisfactorily achieved the objective performance criteria that is established for Employee for each fiscal year of the Company. The Board shall reasonably determine whether Employee has achieved such performance objectives, and the Company shall pay the bonus not later than two and a half months following the end of the fiscal year for which the bonus applies or, if later, upon the determination by the Company that the performance criteria has been satisfied. The Board may, in its sole discretion, authorize payment of a pro rata bonus for performance which is greater or lesser than the performance objectives that had been prescribed for any year, considering the actual performance of Employee, the business and financial condition of the Company and the operating results achieved. Upon the occurrence of a Change in Control (as defined in Section 7.2), however, the bonus amount paid for each fiscal year of the Company shall in all events be at least the amount of highest bonus that had been determined by the Board (whether or not paid to Employee prior to the Change in Control) during any of the three fiscal years that precede the Change in Control.

Section 2.2 REIMBURSEMENT. It is acknowledged by the parties that Employee, in connection with the services to be performed by him pursuant to the terms of this Agreement, will be required to make payments for travel, communications, entertainment of business associates and similar expenses. The Company will reimburse Employee for all reasonable, documented expenses of types authorized by the Company and incurred by Employee in the performance of his duties hereunder. Employee will comply with such budget limitations and approval and reporting requirements with respect to expenses as the Company may establish from time to time.

Section 2.3 EMPLOYEE BENEFITS.

(a) *General.* During the term of this Agreement, Company shall provide Employee with employee and fringe benefits under any and all employee benefit plans and programs which are from time to time generally made available to the executive employees of the Company, including, without limitation, health and disability benefits. Provided, however, that nothing in this Agreement shall require the Company to maintain such plans or programs nor prohibit the Company from terminating, amending or modifying such plans and programs, as the Company, in its sole discretion, may deem advisable. In all events, including but not limited to, the funding, operation, management, participation, vesting, termination, amendment or modification of such plans and programs, the rights and benefits of Employee shall be governed solely by the terms of the plans and programs, as provided in such plans, programs or any contract or agreement related thereto. Nothing in this Agreement shall be deemed to amend or modify any such plan or program.

To the extent required by any plan, Employee's participation in the plan or its benefits may be contingent upon an employee contribution or salary reduction agreement. Failure of Employee to make such required contribution or execute a salary reduction agreement will result in Employee not participating or benefiting under said plan for the applicable plan year. Any employee contribution, through a salary reduction agreement or otherwise, which Employee is required or permitted to make shall be paid out of Employee's salary or if the plan so permits, his bonus, if any.

(b) *Death Benefits.* In the event of Employee's death during the term of this Agreement, the Company shall provide to Employee's spouse and dependent children, at the expense of the Company and for a period of 12 months after Employee's death, medical and dental benefits comparable to those provided by the terms and conditions of the Company's then existing medical and dental benefit plans, if any. Thereafter, the Company will extend continuation coverage benefits to Employee's spouse and dependent children, as required under federal or state law (i.e., COBRA) upon the loss of coverage occurring at the expiration of the 12 month term.

(c) *Vacation Leave.* The Company and Employee acknowledge and agree that Employee shall be entitled to receive five weeks paid vacation time during each calendar year for the term of this Agreement. The Company and Employee further acknowledge and agree that subsequent vacation levels may be modified by the mutual agreement of the parties to this Agreement.

Section 2.4 EQUITY GRANTS. As partial compensation for Employee's service as a Director of the Company, the Company has previously granted Employee 83,722 Class P Units (the "Director Units") of the Company, pursuant to the terms of that certain Class P Unit Agreement, dated January 14, 2014 (the "Director Unit Agreement"), with such Director Units to be subject at all times to the terms of the Director Unit Agreement and the Operating Agreement. In addition, as partial compensation for Employee's service as Chief Financial Officer and Treasurer of the Company, the Company has granted Employee 334,887 Class P Units (the "CFO Units") of the Company, pursuant to the terms of that certain Class P Unit Agreement, dated January 14, 2014 (the "CFO Unit Agreement"), with such CFO Units to be subject at all times to the terms and conditions of the CFO Unit Agreement and Operating Agreement.

ARTICLE III. NONDISCLOSURE OF CONFIDENTIAL INFORMATION

Section 3.1 DEFINITIONS. For purposes of this Agreement, "Confidential Information" is any data or information that is unique to the Company, proprietary, competitively sensitive, and not generally known by the public, including, but not limited to, the Company's business plan, customers, prospective customers ("prospective customers" is understood to mean those potential customers with whom or with which the Company is engaged in active discussion about a business relationship), training manuals, product development plans, bidding and pricing procedures, market plans and strategies, business plans and projections, internal performance statistics, financial data, confidential information concerning employees of the Company, operational or administrative plans, policy manuals, terms and conditions of contracts and agreements, and all similar information related to the business of the Company's customers or potential customers or suppliers, other than information that is publicly available. The term "Confidential Information" shall not apply to information which is (i) already in Employee's possession (unless such information was obtained by Employee from the Company in the course of Employee's employment by the Company); (ii) received by Employee from a third party with no restriction on disclosure or (iii) required to be disclosed by any applicable law or by an order of a court of competent jurisdiction.

Section 3.2 USE AND DISCLOSURE. Employee recognizes and acknowledges that the Confidential Information constitutes valuable, special and unique assets of the Company and its affiliates. Except as required to perform Employee's duties as an employee of the Company, and during the period that Employee is employed by the Company, or until such sooner time that any item described in Section

3.1 ceases to be Confidential Information through no act of Employee in violation of this Agreement, Employee will not use or disclose any Confidential Information of the Company.

ARTICLE IV. NONCOMPETITION

Section 4.1 RESTRICTION. In consideration for the benefits Employee is receiving hereunder, Employee hereby acknowledges, and for other good and valuable consideration, agrees that during the period beginning on the date hereof and ending one (1) year after the termination of Employee's employment with the Company for any reason, Employee, directly or indirectly, shall not (i) compete with the Company to provide merchant credit card authorization processing and settlement services, Automated Teller Machines, debit services, check guarantee services, payroll processing services, payment systems and related commerce, or gift and loyalty card processing, for any company that provides as its principle business electronic payment processing equipment to any of the customers or clients of the Company wherever located who are either customers or clients of the Company or who have been identified as potential customers or clients of the Company as of the termination of Employee's employment; (ii) solicit or hire any employee of the Company; or (iii) interfere with, disrupt or attempt to disrupt any present or prospective business relationship, contractual or otherwise, related to or arising from any merchant account or any agreement, relationship or contractual arrangement between the Company and any merchant; provided, however, nothing herein shall prevent Employee from contracting with any such merchant in a manner that does not interfere with, disrupt or attempt to disrupt any contractual relationship between such person and the Company; and further provided that such restrictions shall not prohibit Employee from investing in any business (including any business meeting the description in (i) above), so long as such investment activity is passive and consistent with Employee's duties as an officer and director of the Company and his duties hereunder, including, without limitation, Employee's current, passive investment in edo Interactive, Inc. (including the future exercise of any options and/or warrants or conversion of any securities into common stock).

Section 4.2 REMEDIES. Employee agrees and acknowledges that the violation of the covenants in Section 4.1 would cause irreparable injury to the Company and that the remedy at law for any violation or threatened violation would be inadequate and that the Company shall be entitled to temporary and permanent injunctive relief or other equitable relief without the necessity of proving actual damages. Employee represents that enforcement of a remedy by way of injunction will not prevent him from earning a livelihood. Employee further represents and admits that time periods contained in Section 4.1 are reasonably necessary to protect the interests of the Company and would not unfairly or unreasonably restrict Employee. Such relief shall be in addition to any other remedies available to Company, including specifically without intending any limitation, the recovery of damages.

Section 4.3 REFORMATION AND SEVERANCE. If a judicial determination is made that any of the provisions of Section 4.1 constitutes an unreasonable or otherwise unenforceable restriction against Employee, it shall be rendered void only to the extent that such judicial determination finds such provisions to be unreasonable or otherwise unenforceable. In this regard, the parties hereby agree that any judicial authority construing this Agreement shall be empowered to sever any portion of the prohibited business activity from the coverage of this restriction and to apply the restriction to the remaining portion of the business activities not so severed by such judicial authority.

ARTICLE V. TERM OF AGREEMENT

This Agreement shall continue in full force and effect for a period of one (1) year commencing on the Effective Date. At the beginning of each month after the Effective Date, the term of this Agreement shall automatically be extended for an additional month so that the term of the Agreement on such date is a period of 12 months.

ARTICLE VI. TERMINATION

Section 6.1 TERMINATION. Employee's employment hereunder will terminate prior to the time set forth in Article V hereof upon the occurrence of the following events:

(a) *By Company Without Cause.* The Company may terminate this Agreement at any time without "Cause", as defined in Section 6.1(c) below, upon written notice to Employee. At the time of such termination, Company will both (i) pay to Employee the amount of compensation then in effect under Section 2.1, and (ii) continue to provide Employee with the benefits described in Section 2.3(a) for the term of the Agreement, as determined under Article V, provided that any partial month remaining in the term of the Agreement shall be treated as a full month. In addition, Employee shall receive any bonuses that have been earned under Section 2.1(b) but have not been paid. Employee also shall be entitled to receive expense reimbursements under Section 2.2 hereof for expenses incurred in the performance of his duties prior to termination. A termination of this Agreement without Cause will be deemed to have occurred if the Company provides written notice of such to the Employee, or otherwise prevents the Employee from performing his duties hereunder, unless termination of this Agreement is due to the circumstances described in any of paragraphs Section 6.1(b), (c), (d) or (e).

(b) *By Employee Without Cause.* Employee may terminate this Agreement at any time for any reason upon written notice. At the time of such termination, Company will pay to Employee the amount of compensation determined under Section 2.1, such amounts to be adjusted pro rata for the portion of the term of the Agreement completed on the date of termination. Employee shall also be entitled to reimbursement pursuant to Section 2.2 for expenses incurred in the performance of his duties hereunder prior to termination.

(c) *By Company With Cause.* This Agreement may be terminated by Company at any time upon written notice for any of the following reasons (collectively, such reasons to be defined as "Cause"):

- I. conviction of the Employee for a felony which in the reasonable judgment of the Board materially affects Employee's ability to perform his duties pursuant to this Agreement;
- II. commission by Employee of an act of fraud, embezzlement, or material dishonesty against the Company or its affiliates;
- III. intentional neglect of or material inattention to Employee's duties, which neglect or inattention remains uncorrected for more than fifteen days following written notice from the Board detailing the Board's concern; or
- IV. the Employee taking any actions which would have a material detrimental effect on the Company or its affiliates or in any way materially harm the reputation of the

Company or its affiliates, and such actions are not cured within fifteen days of the Employee receiving written notification thereof.

At the time of such termination, Company will pay to Employee the amount of compensation determined under Section 2.1(a), such amounts to be adjusted pro rata for the portion of the term of the Agreement completed on the date of termination; provided, however, that if such termination occurs after a Change in Control (as defined in Section 7.2), then Employee will receive the amounts specified in Section 7.1. Employee shall also be entitled to reimbursement pursuant to Section 2.2 for expenses incurred in the performance of his duties hereunder prior to termination.

(d) *Termination on Death.* In the event of Employee's death, this Agreement will be deemed to have terminated on the date of his death. At the time of such termination, Company will pay to the testamentary trusts created by Employee's will, or if there are no such trusts, to his estate, the amount of compensation determined under Section 2.1 that is in effect at the time of termination, such amount to be adjusted pro rata for the portion of the term of the Agreement completed on the date of termination. Company will additionally make a one-time payment in an amount equal to 50% of the annual amount payable under Section 2.1(a) at the time of Employee's death. Company shall also pay to such testamentary trusts or Employee's estate reimbursement pursuant to Section 2.2 for expenses incurred in the performance of his duties hereunder prior to termination.

(e) *Termination on Disability.* This Agreement will terminate immediately in the event Employee becomes physically or mentally disabled. Employee will be deemed disabled if, as a result of Employee's incapacity due to physical or mental illness, Employee shall have been absent from his duties with the Company on a full-time basis for 120 consecutive business days. At the time of such termination, Company will pay to Employee the amount of compensation determined under Section 2.1 that is in effect at the time of termination, such amount to be adjusted pro rata for the portion of the term of the Agreement completed on the date of termination. In addition, Employee shall, on the date of such termination, be entitled to receive a one-time payment in an amount equal to 50% of the annual amount payable under Section 2.1(a) at the time of termination. Employee shall also be entitled to reimbursement pursuant to Section 2.2 for expenses incurred in the performance of his duties hereunder prior to termination.

(f) *By Employee for Good Reason.* Employee may upon 10 days prior written notice terminate this Agreement for "Good Reason", as defined below. At the time of such termination, Company shall continue to pay salary to Employee at the periodic rate that is in effect at the time of notice pursuant to Section 2.1 for the term of the Agreement until the effective date of termination. In addition, Company will provide Employee with each of the severance benefits described in Section 6.1 (a) and all expense reimbursements under Section 2.2 for expenses incurred in the performance of his duties prior to and contemporaneously with termination. Termination for "Good Reason" for purposes of this Section 6.1(f), is a termination of employment either before or after a Change in Control (defined in Section 7.2) under any of the following circumstances:

- I. A material diminution in Employee's position, responsibilities or status from that which was previously in effect;

- II. A reduction in Employee's compensation that is payable pursuant to Section 2.1 or a substantial reduction in benefits provided to Employee that are described in Section 2.3, as such amounts were previously in effect.
- III. Relocation of Employee to a location that is more than 35 miles from the location of the Company's headquarters on the date this Agreement is executed.

Section 6.2 INTERNAL REVENUE CODE SECTION 409A.

(a) The Company and Employee intend that the payments and benefits provided for in this Agreement either be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or be provided in a manner that complies with Section 409A of the Code, and any ambiguity herein shall be interpreted so as to be consistent with the intent of this Section 6.2. In the event taxes, penalties or interest are imposed on Employee pursuant to Code Section 409A (collectively, "409A Payments"), then the Company shall fully indemnify Employee for or with respect to such 409A Payments, plus such additional "gross up" amount as may be necessary to make Employee whole for any taxes payable with respect to the amounts paid pursuant to such indemnification.

(b) Notwithstanding anything contained herein to the contrary, all severance or similar payments and benefits hereunder, other than any amounts payable by reason of Employee's death or disability, shall be paid or provided only if termination of Employee's employment constitutes a "separation from service" from the Company within the meaning of Section 409A of the Code and the regulations and guidance promulgated thereunder (determined after applying the presumptions set forth in Treas. Reg. § 1.409A-1(h)(1)). The Company and Employee further intend that all severance or similar payments and benefits under this Agreement shall satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code, including those provided under Treas. Reg. §§ 1.409A-1(b)(4) (regarding short-term deferrals), 1.409A-1(b)(9)(iii) (regarding certain separation pay plans), and 1.409A-1(b)(9)(v) (regarding reimbursements and certain other separation payments). Each payment or installment of severance or similar payments provided under this Agreement will be treated as a separate "payment" for purposes of Code Section 409A.

(c) If, upon the termination of Employee's employment with the Company, (i) Employee is a Specified Employee (as defined herein) of a public company (as defined for purposes of Code Section 409(a)(2)(B)(i)) and (ii) any severance or similar payments or benefits provided in this Agreement constitute nonqualified deferred compensation under Code Section 409A because they do not qualify for any available exemptions, then the amount of such nonqualified deferred compensation that otherwise would be paid within the first six months following such termination of employment shall instead shall be withheld and paid in a single lump sum payment on the first regularly scheduled payroll date immediately following the date that is six months after the date of such termination, without adjustment for the delay in payment. For purposes of this Agreement, a "Specified Employee" means a "specified employee" as defined for purposes of Code Section 409A(a)(2)(B)(i), as amended from time to time. The foregoing shall not apply with respect to any amounts payable hereunder by reason of Employee's death or disability.

(d) Notwithstanding anything to the contrary in this Agreement: (a) in-kind benefits and reimbursements provided under this Agreement during any calendar year shall not affect in kind benefits

or reimbursements to be provided in any other calendar year, other than an arrangement providing for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit; (b) reimbursement requests must be timely submitted by Employee and, if timely submitted, reimbursement payments shall be promptly made to Employee following such submission, but in no event later than December 31st of the calendar year following the calendar year in which the expense was incurred; and (c) in no event shall Employee be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The preceding sentence shall only apply to in-kind benefits and reimbursements that would result in taxable compensation income to Employee.

(e) In the event that following the date hereof the Company or Employee reasonably determines that any compensation or benefits payable under this Agreement may be subject to Section 409A of the Code, the Company and Employee shall work together to adopt such amendments to this Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other commercially reasonable actions necessary or appropriate to (i) exempt the compensation and benefits payable under this Agreement from Section 409A of the Code and/or preserve the intended tax treatment of the compensation and benefits provided with respect to this Agreement or (ii) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance.

ARTICLE VII. CHANGE IN CONTROL TERMINATION PAYMENT

Section 7.1 TERMINATION PAYMENT.

(a) *Amount.* Notwithstanding anything to the contrary contained in Article VI hereof, if within the 6 month period following a Change in Control (as defined in Section 7.2), Employee's employment with the Company terminates for any reason, then the Company will pay Employee a lump sum payment (the "Termination Payment") which is the sum of the following:

- I. One times Employee's annual base compensation determined by reference to his base salary in effect at the time of Change In Control.
- II. One times the annual bonus described in Section 2.1(b).
- III. Continuation of benefits described in Section 2.3 for a period of one year following termination of employment.

(b) *Time for Payment; Interest.* The Termination Payment made under this Section 7.1 shall be paid to Employee in a single lump sum within ten days following the date of termination. The Company's obligation to pay to Employee any amounts under this Section 7.1, including without limitation the Termination Payment will bear interest at the prime rate as quoted in The Wall Street Journal plus 2%, and all accrued and unpaid interest will bear interest at the same rate, all of which interest will be compounded annually.

(c) *Golden Parachute Tax.* In the event it shall be reasonably determined in good faith by Employer that any payment or distribution by Employer to or for the benefit of Employee (whether paid

or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (such excise tax, the "Excise Tax"), and such Payment can be rendered exempt from the Excise Tax pursuant to the stockholder approval provisions of Section 280G(b)(5) of the Code and the Treasury Regulations promulgated thereunder, then Employer and Employee shall fully cooperate and together take all steps reasonably necessary in compliance with Section 280G(b)(5) of the Code and the Treasury Regulations promulgated thereunder, including providing adequate disclosure to the stockholders of Employer (within the meaning of Section 280G(b)(5)(B)(ii) of the Code and the Treasury Regulations promulgated thereunder) and conducting a vote of all the stockholders of Employer (within the meaning of Treasury Regulation Section 1.2800-1, Q/A-7(b)) so that in the event the stockholder approval requirements of Section 280G(b)(5)(B)(i) of the Code are met in connection with such stockholder vote, no Payment would be subject to the Excise Tax, without regard to whether or not such stockholder approval requirements are actually met in connection with such stockholder vote.

Section 7.2 CHANGE IN CONTROL. A Change In Control will be deemed to have occurred for purposes hereof, if:

(a) any "person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, other than a trustee or other fiduciary holding securities under an employee benefit plan of Company or a corporation controlling the Company or owned directly or indirectly by the stockholders of Company in substantially the same proportions as their ownership of Company stock, becomes the "beneficial owner" (as defined in SEC Rule 13d-3), directly or indirectly, of securities of Company representing more than 40% of the total voting power represented by Company's then outstanding Voting Securities (as defined below), or

(b) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or

(c) the members of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the Voting Securities outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities) more than 65% of the total voting power represented by the Voting Securities outstanding immediately after such merger or consolidation, or the members of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by Company of all or substantially all of its assets. For purposes of this section "Voting Securities" shall mean any securities of Company or its survivor which vote generally in the election of its directors.

Section 7.3 NO RIGHT TO CONTINUED EMPLOYMENT. This Article VII will not give Employee any right of continued employment or any right to compensation or benefits from the Company except the rights specifically stated herein.

Section 7.4 ARBITRATION. Any dispute arising under this Article VII will be resolved in the manner provided in Article VIII.

ARTICLE VIII. ARBITRATION

Section 8.1 SCOPE. The Company and Employee acknowledge and agree that any claim or controversy arising out of or relating to Article VII of this Agreement shall be settled by non-binding arbitration in Nashville, Tennessee, in accordance with the National Rules of the American Arbitration Association for the Resolution of Employment Disputes in effect on the date of the event giving rise to the claim or controversy. The Company and Employee further acknowledge and agree that either party must request arbitration of any claim or controversy within 60 days of the date of the event giving rise to the claim or controversy by giving written notice of the party's request for arbitration. Failure to give notice of any claim of controversy within 60 days of the event giving rise to the claim or controversy shall constitute waiver of the claim or controversy.

Section 8.2 PROCEDURES. All claims or controversies subject to arbitration shall be submitted to arbitration within six months from the date that a written notice of request for arbitration is effective. All claims or controversies shall be resolved by a panel of three arbitrators who are licensed to practice law in the State of Tennessee and who are experienced in the arbitration of labor and employment disputes. These arbitrators shall be selected in accordance with the National Rules of the American Arbitration Association for the Resolution of Employment Disputes in effect at the time the claim or controversy arises. The arbitrators shall issue a written decision with respect to all claims or controversies within 30 days from the date the claims or controversies are submitted to arbitration. The parties shall be entitled to be represented by legal counsel at any arbitration proceedings. Employee and the Company acknowledge and agree that the Company will bear the cost of the arbitration proceeding, including any stenographic recording, and each party shall be responsible for paying its own attorneys' fees, if any, unless the arbitrators determine otherwise.

Section 8.3 ENFORCEMENT. The Company and Employee acknowledge and agree that the arbitration provisions in this Agreement may be specifically enforced by either party, and that submission to arbitration proceedings may be compelled by any court of competent jurisdiction. The Company and Employee further acknowledge and agree that the decision of the arbitrators may be specifically enforced by either party in any court of competent jurisdiction.

Section 8.4 LIMITATIONS. Notwithstanding the arbitration provisions set forth herein, Employee and the Company acknowledge and agree that nothing in this Agreement shall be construed to require the arbitration of any claim or controversy arising under Articles III or IV of this Agreement. These provisions shall be enforceable by any court of competent jurisdiction and shall not be subject to arbitration except by mutual written consent of the parties signed after the dispute arises, any such consent, and the terms and conditions thereof, then becoming binding on the parties. Employee and the Company further acknowledge and agree that nothing in this Agreement shall be construed to require arbitration of any claim for workers' compensation or unemployment compensation.

ARTICLE IX. GENERAL TERMS

Section 9.1 NOTICES. All notices and other communications hereunder will be in writing or by written telecommunication, and will be deemed to have been duly given if delivered personally or if sent by overnight courier or by written telecommunication, to the relevant address set forth below, or to such other address as the recipient of such notice or communication will have specified to the other party hereto in accordance with this Section:

If to the Company to:
Charge Payment, LLC
30 Burton Hills, Suite 550
Nashville, TN 37215
Attn: Greg Daily

If to Employee, to:
Clay M. Whitson
4410 Forsythe Place
Nashville, TN 37205

Section 9.2 WITHHOLDING; NO OFFSET. All payments required to be made by the Company under this Agreement to Employee will be subject to the withholding of such amounts, if any, relating to federal, state and local taxes as may be required by law. No payment under this Agreement will be subject to offset or reduction attributable to any amount Employee may owe to the Company or any other person, except as required by law.

Section 9.3 ENTIRE AGREEMENT; MODIFICATION. This Agreement and the Director Unit Agreement and CFO Unit Agreement constitute the complete and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties. The parties have executed this Agreement based upon the express terms and provisions set forth herein and have not relied on any communications or representations, oral or written, which are not set forth in this Agreement.

Section 9.4 AMENDMENT. The covenants or provisions of this Agreement may not be modified by an subsequent agreement unless the modifying agreement: (i) is in writing; (ii) contains an express provision referencing this Agreement; (iii) is signed and executed on behalf of the Company by an officer of the Company other than Employee; (iv) is approved by resolution of the Board; and (v) is signed by Employee.

Section 9.5 LEGAL CONSULTATION. Both parties have been accorded a reasonable opportunity to review this Agreement with legal counsel prior to executing this Agreement. Company agrees to reimburse Employee for any legal fees incurred by Employee as a result of the preparation, review and negotiation of this Agreement, up to a maximum of \$10,000.00.

Section 9.6 CHOICE OF LAW. This Agreement and the performance hereof will be construed and governed in accordance with the laws of the State of Tennessee, without regard to its choice of law principles.

Section 9.7 SUCCESSORS AND ASSIGNS. The obligations, duties and responsibilities of Employee under this Agreement are personal and shall not be assignable. In the event of Employee's death or disability, this Agreement shall be enforceable by Employee's estate, executors or legal representatives.

Section 9.8 WAIVER OF PROVISIONS. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.

Section 9.9 SEVERABILITY. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or enforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties provided that the substance of the economic relationship created by this Agreement remains materially unchanged.

Section 9.10 REMEDIES. The parties hereto acknowledge and agree that upon any breach by Employee of his obligations under either of Articles III and IV hereof, the Company will have no adequate remedy at law, and accordingly will be entitled to specific performance and other appropriate injunctive and equitable relief. No remedy set forth in this Agreement or otherwise conferred upon or reserved to any party shall be considered exclusive of any other remedy available to any party, but the same shall be distinct, separate and cumulative and may be exercised from time to time as often as occasion may arise or as may be deemed expedient.

Section 9.11 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or PDF format shall be as effective as the delivery of a manually executed counterpart of this Agreement.

Section 9.12 COMPANY. The term Company shall mean Charge Payment, LLC and any affiliate or other entity in which the Company owns, directly or indirectly, more than a 50% interest.

[Execution Page Follows]

EXECUTION PAGE

IN WITNESS WHEREOF, Company and Employee have caused this Agreement to be executed on the day and year indicated below to be effective on the day and year first written above.

EMPLOYEE:

/s/ Clay M. Whitson

Clay M. Whitson

COMPANY:

Charge Payment, LLC

By: /s/ Thomas H. Bryant

Its: Secretary

CHANGE IN CONTROL AGREEMENT

This **CHANGE IN CONTROL AGREEMENT** ("Agreement") is entered into as of May 10, 2017 by and between **i3 Verticals, LLC**, a Delaware limited liability Company (the "Company"), and **Paul Maple**, a resident of the State of Tennessee ("Employee") to be effective as of the employment commencement date of Employee, which is anticipated to be June 5, 2017 (the "Effective Date").

WITNESSETH:

WHEREAS, the Company has extended an offer of employment to Employee to become the general counsel of the Company, with such employment to be at-will and subject to restrictive covenants executed by the Employee upon commencement of such employment;

WHEREAS, the Company desires to provide Employee with certain financial protections in the event the Company undergoes a change in control;

NOW, THEREFORE, based upon the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I. DEFINITIONS

The capitalized terms as used in this Agreement shall have the definitions described in this Article I.

Section 1.1 Cause. Termination for "Cause" shall occur upon a termination employment by Company at any time upon written notice for any of the following reasons:

- I. conviction of the Employee for a felony which in the reasonable judgment of the Board materially affects Employee's ability to perform his duties pursuant to this Agreement;
- II. commission by Employee of an act of fraud, embezzlement, or material dishonesty against the Company or its affiliates;
- III. intentional neglect of or material inattention to Employee's duties, which neglect or inattention remains uncorrected for more than fifteen days following written notice from the Board detailing the Board's concern; or
- IV. the Employee taking any actions which would have a material detrimental effect on the Company or its affiliates or in any way materially harm the reputation of the Company or its affiliates, and such actions are not cured within fifteen days of the Employee receiving written notification thereof.

Section 1.2 Change in Control. A Change in Control will be deemed to have occurred for purposes hereof, if:

(a) any "person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, other than a trustee or other fiduciary holding securities under an employee benefit plan of Company or a company controlling the Company or owned directly or indirectly by the equity holders of the Company in substantially the same proportions as their ownership of Company securities, becomes the "beneficial owner" (as defined in SEC Rule 13d-3), directly or indirectly, of securities of Company representing more than 40% of the total voting power represented by Company's then outstanding Voting Securities (as defined below), or

(b) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or

(c) the members of the Company approve a merger or consolidation of the Company with any other company, other than a merger or consolidation which would result in the Voting Securities outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities) more than 65% of the total voting power represented by the Voting Securities outstanding immediately after such merger or consolidation, or the members of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by Company of all or substantially all of its assets, For purposes of this section "Voting Securities" shall mean any securities of Company or its survivor which vote generally in the election of its directors,

(d) Notwithstanding the foregoing, a Change in Control shall not occur as a result of an underwritten offering of the securities of the Company to the public, or an offering of securities to the existing equity holders of the Company,

Section 1.3 Company. The term Company shall mean i3 Verticals, LLC and any affiliate or other entity in which the Company owns, directly or indirectly, more than a 50% interest, or any successor to its business and/or assets that assumes this Agreement by operation of law or otherwise.

Section 1.4 Good Reason. Termination of employment for "Good Reason" is a termination of employment by Employee under any of the following circumstances:

- I. A material diminution in Employee's position, responsibilities or status from that which was previously in effect;
- II. A reduction in Employee's base compensation and bonus opportunity or a substantial reduction in benefits provided by the Company to Employee, other than for a proportional reduction that is applied to all similarly situated employees of the Company; or
- III. Relocation of Employee to a location that is more than 35 miles from the location of the Company's headquarters on the date this Agreement is executed.

IV. Upon the occurrence of a Change in Control, the acquiror fails or refuses to assume the obligations of the Company under this Agreement.

Section 1.5 Specified Employee. A "Specified Employee" is an employee defined as a "specified employee" in Code Section 409A(a)(2)(B)(i), as amended from time to time.

ARTICLE II. CHANGE IN CONTROL PAYMENT

Section 2.1 Termination Payment.

(a) *Amount.* In the event that the employment of Employee is terminated within twelve months following a Change in Control either by the Company without Cause or by Employee with Good Reason, then the Company will provide Employee with the following:

- I. One times Employee's annual base compensation determined by reference to his base salary in effect at the time of Change In Control paid in a single sum.
- II. One times the target annual bonus for the Employee at the time of the Change in Control paid in a single sum.
- III. Continuation of Company provided health benefits, which may be through continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, for a period of one year following termination of employment; *provided that* Employee's cost for participation will be no greater than the cost of coverage under the Company's health plan for similarly situated active employees.

(b) *Time for Payment.* The cash payments due under this Agreement shall be paid to Employee in a single lump sum within ten days following the date of termination.

Section 2.2 Golden Parachute Tax. In the event it shall be reasonably determined in good faith by the Company that any payment or distribution by the Company to or for the benefit of Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code (such excise tax, the "Excise Tax"), and such Payment can be rendered exempt from the Excise Tax pursuant to the stockholder approval provisions of Section 280G(b)(5) of the Code and the Treasury Regulations promulgated thereunder, then the Company and Employee shall fully cooperate and together take all steps reasonably necessary in compliance with Section 280G(b)(5) of the Code and the Treasury Regulations promulgated thereunder, including providing adequate disclosure to the stockholders of Company (within the meaning of Section 280G(b)(5)(B)(ii) of the Code and the Treasury Regulations promulgated thereunder) and conducting a vote of all the stockholders of the Company (within the meaning of Treasury Regulation Section 1.280G-1, Q/A-7(b)) so that in the event the stockholder approval requirements of Section 280G(b)(5)(B)(i) of the Code are met in connection with such stockholder vote, no Payment would be subject to the Excise Tax, without regard to whether or not such stockholder approval requirements are actually met in connection with such stockholder vote.

ARTICLE III. GENERAL TERMS

Section 3.1 No Right To Continued Employment. This Agreement will not give Employee any right of continued employment or any right to compensation or benefits from the Company except the rights specifically stated herein.

Section 3.2 Internal Revenue Code Section 409A Restrictions.

(a) The Company and Employee intend that the payments and benefits provided for in this Agreement either be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or be provided in a manner that complies with Section 409A of the Code, and any ambiguity herein shall be interpreted so as to be consistent with the intent of this Section 3.2.

(b) Notwithstanding anything contained herein to the contrary, all severance or similar payments and benefits hereunder, other than any amounts payable by reason of Employee's death or disability, shall be paid or provided only if termination of Employee's employment constitutes a "separation from service" from the Company within the meaning of Section 409A of the Code and the regulations and guidance promulgated thereunder (determined after applying the presumptions set forth in Treas. Reg. § 1.409A-1 (h)(1)). The Company and Employee further intend that all severance or similar payments and benefits under this Agreement shall satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code, including those provided under Treas. Reg. §§ 1A09A-1(b)(4) (regarding short-term deferrals), 1.409A-1(b)(9)(iii) (regarding certain separation pay plans), and 1.409A-1(b)(9)(v) (regarding reimbursements and certain other separation payments). Each payment or installment of severance or similar payments provided under this Agreement will be treated as a separate "payment" for purposes of Code Section#409A.

(c) If, upon the termination of Employee's employment with the Company, (i) Employee is a Specified Employee (as defined herein) of a public company (as defined for purposes of Code Section 409(a)(2)(B)(i)) and (ii) any severance or similar payments or benefits provided in this Agreement constitute nonqualified deferred compensation under Code Section 409A because they do not qualify for any available exemptions, then the amount of such non qualified deferred compensation that otherwise would be paid within the first six months following such termination of employment shall instead shall be withheld and paid in a single lump sum payment on the first regularly scheduled payroll date immediately following the date that is six months after the date of such termination, without adjustment for the delay in payment. The foregoing shall not apply with respect to any amounts payable hereunder by reason of Employee's death or disability.

(d) Notwithstanding anything to the contrary in this Agreement: (a) in-kind benefits and reimbursements provided under this Agreement during any calendar year shall not affect in-kind benefits or reimbursements to be provided in any other calendar year, other than an arrangement providing for the reimbursement of medical expenses referred to in Section 105(b) of the Code, and are not subject to liquidation or exchange for another benefit; (b) reimbursement requests must be timely submitted by Employee and, if timely submitted, reimbursement payments shall be promptly made to Employee following such submission, but in

no event later than December 31st of the calendar year following the calendar year in which the expense was incurred; and (c) in no event shall Employee be entitled to any reimbursement payments after December 31st of the calendar year following the calendar year in which the expense was incurred. The preceding sentence shall only apply to in-kind benefits and reimbursements that would result in taxable compensation income to Employee.

(e) In the event that following the date hereof the Company or Employee reasonably determines that any compensation or benefits payable under this Agreement may be subject to Section 409A of the Code, the Company and Employee shall work together to adopt such amendments to this Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other commercially reasonable actions necessary or appropriate to (i) exempt the compensation and benefits payable under this Agreement from Section#409A of the Code and/or preserve the intended tax treatment of the compensation and benefits provided with respect to this Agreement or (ii) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance.

Section 3.3 Notices. All notices and other communications hereunder will be in writing or by written telecommunication, and will be deemed to have been duly given if delivered personally or if sent by overnight courier, by written telecommunication, or by electronic communication to the relevant address set forth below, or to such other address as the recipient of such notice or communication will have specified to the other party hereto in accordance with this Section:

If to the Company to:

i3 Verticals, LLC
30 Burton Hills, Suite 550
Nashville, TN 37215
Attn: Clay Whitson

Notices to the Employee will be provided to the address on record with the Company.

Section 3.4 Withholding; No Offset. All payments required to be made by the Company under this Agreement to Employee will be subject to the withholding of such amounts, if any, relating to federal, state and local taxes as may be required by law. No payment under this Agreement will be subject to offset or reduction attributable to any amount Employee may owe to the Company or any other person, except as required by law.

Section 3.5 Entire Agreement. This Agreement constitutes the complete and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties. The parties have executed this Agreement based upon the express terms and provisions set forth herein and have not relied on any communications or representations, oral or written, which are not set forth in this Agreement.

Section 3.6 Amendment. The covenants or provisions of this Agreement may not be modified by an subsequent agreement unless the modifying agreement: (i) is in writing; (ii) contains an express provision referencing this Agreement; (iii) is signed and executed on behalf

of the Company by an officer of the Company other than Employee; and (iv) is signed by Employee.

Section 3.7 Legal Consultation. Both parties have been accorded a reasonable opportunity to review this Agreement with legal counsel prior to executing this Agreement.

Section 3.8 Choice Of Law. This Agreement and the performance hereof will be construed and governed in accordance with the laws of the State of Tennessee, without regard to its choice of law principles.

Section 3.9 Successors and Assigns. The obligations, duties and responsibilities of Employee under this Agreement are personal and shall not be assignable. In the event of Employee's death or disability, this Agreement shall be enforceable by Employee's estate, executors or legal representatives. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform.

Section 3.10 Waiver Of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.

Section 3.11 Severability. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or enforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties provided that the substance of the economic relationship created by this Agreement remains materially unchanged.

Section 3.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or PDF format shall be as effective as the delivery of a manually executed counterpart of this Agreement.

[Execution Page Follows]

EXECUTION PAGE

IN WITNESS WHEREOF, Company and Employee have caused this Agreement to be executed on the day and year indicated below to be effective on the day and year first written above.

EMPLOYEE:

/s/ Paul Maple

Paul Maple

COMPANY:

i3 Verticals, LLC

By: /s/ Clay Whitson

Clay Whitson, Chief Financial Officer

INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated as of [●], 2018, by and among i3 Verticals, Inc., a Delaware corporation (the “Company”), and the director and/or officer of the Company whose name appears on the signature page of this Agreement (“Indemnitee”).

RECITALS

A. Highly competent persons are becoming more reluctant to serve publicly-held corporations as directors or officers or in other capacities unless they are provided with reasonable protection through insurance or indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the corporations.

B. The Board of Directors of the Company (the “Board”) has determined that the Company should act to assure its directors and officers that there will be increased certainty of such protection in the future.

C. It is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

D. Indemnitee is willing to serve, to continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified.

E. In consideration of the benefits received and to be received by the Company in connection with actions taken and to be taken by the Board and by the officers of the Company, the Company has determined that it is in the best interest of the Company for the reasons set forth above to be a party to this Agreement and to provide indemnification to the directors and officers of the Company in connection with their service to and activities on behalf of the Company and its respective subsidiaries.

F. The Company acknowledges that for purposes of this Agreement the directors and officers of the Company who enter into this Agreement are serving in such capacities at the request of the Company.

G. The Company further acknowledges that such directors and officers are willing to serve, to continue to serve and to take on additional service for or on behalf of the Company, thereby benefiting the Company and its subsidiaries, on the condition that the Company enter into, and provide indemnification pursuant to, this Agreement.

AGREEMENT

In consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. DEFINITIONS.

(a) For purposes of this Agreement:

(i) "Affiliate" shall mean any corporation, partnership, joint venture, trust or other entity in respect of which Indemnitee is or was or will be serving as a director or officer directly or indirectly at the request of the Company, and including, but not limited to, service with respect to an employee benefit plan.

(ii) "Disinterested Director" shall mean a director of the Company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by Indemnitee.

(iii) "Expenses" shall include all attorneys' fees and costs, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses incurred in connection with asserting or defending claims.

(iv) "fines" shall include any excise taxes assessed on Indemnitee with respect to any employee benefit plan.

(v) "Independent Counsel" shall mean a law firm or lawyer that neither is presently nor in the past year has been retained to represent: (i) the Company or Indemnitee in any matter material to any such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder in any matter material to such other party. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any firm or person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing the Company or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement. All Expenses of the Independent Counsel incurred in connection with acting pursuant to this Agreement shall be borne by the Company.

(vi) "Losses" shall mean all expenses, liabilities, losses and claims (including attorneys' fees, judgments, fines, excise taxes under the Employee Retirement Income Security Act of 1974, as amended from time to time, penalties and amounts to be paid in settlement) incurred in connection with any Proceeding.

(vii) "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative.

(b) For purposes of this Agreement, a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement; the term "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the corporation

which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and references to the "Company" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify Indemnitee in its capacity as a director, officer, or employee or agent, so that Indemnitee shall stand in the same position under this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

2. SERVICE BY INDEMNITEE. Indemnitee agrees to begin or continue to serve the Company or any Affiliate as a director and/or officer. Notwithstanding anything contained herein, this Agreement shall not create a contract of employment between the Company and Indemnitee, and the termination of Indemnitee's relationship with the Company or an Affiliate by either party hereto shall not be restricted by this Agreement.

3. INDEMNIFICATION. The Company agrees to indemnify Indemnitee for, and hold Indemnitee harmless from and against, any Losses or Expenses at any time incurred by or assessed against Indemnitee arising out of or in connection with the service of Indemnitee as a director or officer of the Company or of an Affiliate (collectively referred to as an "Officer or Director of the Company") to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification. Without diminishing the scope of the indemnification provided by this Section, the rights of indemnification of Indemnitee provided hereunder shall include but shall not be limited to those rights set forth hereinafter.

4. ACTION OR PROCEEDING OTHER THAN AN ACTION BY OR IN THE RIGHT OF THE COMPANY. Indemnitee shall be entitled to the indemnification rights provided herein if Indemnitee is a person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any Proceeding (other than an action by or in the right of the Indemnitee (unless approved in advance in writing by the Board) or the Company) by reason of (a) the fact that Indemnitee is or was an Officer or Director of the Company or any other entity which Indemnitee is or was or will be serving at the request of the Company, or (b) anything done or not done by Indemnitee in any such capacity.

5. ACTIONS BY OR IN THE RIGHT OF THE COMPANY. Indemnitee shall be entitled to the indemnification rights provided herein if Indemnitee is a person who was or is a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any Proceeding brought by or in the right of the Company to procure a judgment in its favor by reason of (a) the fact that Indemnitee is or was an Officer or Director of the Company or any Affiliate, or (b) anything done or not done by Indemnitee in any such capacity. Pursuant to this Section, Indemnitee shall be indemnified against Losses or Expenses incurred or suffered by Indemnitee or on Indemnitee's behalf in connection with the defense or settlement of any Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Notwithstanding the foregoing provisions of this Section, no such indemnification shall be made in respect of any claim, issue or matter as to which Delaware law

expressly prohibits such indemnification by reason of an adjudication of liability of Indemnitee to the Company unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Losses and Expenses which the Court of Chancery or such other court shall deem proper.

6. INDEMNIFICATION FOR LOSSES AND EXPENSES OF PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been wholly successful on the merits or otherwise in any Proceeding referred to in Sections 3, 4 or 5 hereof on any claim, issue or matter therein, Indemnitee shall be indemnified against all Losses and Expenses incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company agrees to indemnify Indemnitee to the maximum extent permitted by law against all Losses and Expenses incurred by Indemnitee in connection with each successfully resolved claim, issue or matter. In any review or Proceeding to determine the extent of indemnification, the Company shall bear the burden of proving any lack of success and which amounts sought in indemnity are allocable to claims, issues or matters which were not successfully resolved. For purposes of this Section and without limitation, the termination of any such claim, issue or matter by dismissal with or without prejudice shall be deemed to be a successful resolution as to such claim, issue or matter.

7. PAYMENT FOR EXPENSES OF A WITNESS. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of the fact that Indemnitee is or was an Officer or Director of the Company or any Affiliate, as the case may be, a witness in any Proceeding, the Company agrees to pay to Indemnitee all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

8. ADVANCEMENT OF EXPENSES AND COSTS. All Expenses incurred by or on behalf of Indemnitee (or reasonably expected by Indemnitee to be incurred by Indemnitee within three months) in connection with any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding within twenty (20) days after the receipt by the Company of a statement or statements from Indemnitee requesting from time to time such advance or advances, whether or not a determination to indemnify has been made under Section 9. Indemnitee's entitlement to such advancement of Expenses shall include those incurred in connection with any Proceeding by Indemnitee seeking an adjudication or award in arbitration pursuant to this Agreement. The financial ability of Indemnitee to repay an advance shall not be a prerequisite to the making of such advance. Such statement or statements shall reasonably evidence such Expenses incurred (or reasonably expected to be incurred) by Indemnitee in connection therewith and shall include or be accompanied by a written undertaking by or on behalf of Indemnitee to repay such amount if it shall ultimately be determined that Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Agreement.

9. PROCEDURE FOR DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION.

(a) When seeking indemnification under this Agreement (which shall not include in any case the right of Indemnitee to receive payments pursuant to Section 7 and Section 8 hereof, which shall not be subject to this Section 9), Indemnitee shall submit a written request for indemnification to the Company. Determination of Indemnitee's entitlement to indemnification shall be made promptly, but in no event later than sixty (60) days after receipt by the Company of Indemnitee's written request for indemnification. The Secretary of the Company shall, promptly upon receipt of Indemnitee's request for indemnification, advise the Board that Indemnitee has made such request for indemnification.

(b) The entitlement of Indemnitee to indemnification under this Agreement shall be determined, with respect to a person who is a director or officer at the time of such determination, in the specific case (1) by the Board by a majority vote of the Disinterested Directors, even though less than a quorum, or (2) by a committee of the Disinterested Directors designated by majority vote of the Disinterested Directors, even though less than a quorum, or (3) if there are no Disinterested Directors, or if such Disinterested Directors so direct, by Independent Counsel, or (4) by the stockholders. The entitlement of the Indemnitee to indemnification shall be determined with respect to any person who is not a director or officer at the time of such determination by any means reasonably determined by the Company.

(c) In the event the determination of entitlement is to be made by Independent Counsel, such Independent Counsel shall be selected by the Board and approved by Indemnitee. Upon failure of the Board to so select such Independent Counsel or upon failure of Indemnitee to so approve, such Independent Counsel shall be selected by the American Arbitration Association of New York, New York or such other person as such Association shall designate to make such selection.

(d) If a determination is made pursuant to Section 9(b) that Indemnitee is not entitled to indemnification to the full extent of Indemnitee's request, Indemnitee shall have the right to seek entitlement to indemnification in accordance with the procedures set forth in Section 10 hereof.

(e) If a determination with respect to entitlement to indemnification shall not have been made within sixty (60) days after receipt by the Company of such request, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be absolutely entitled to such indemnification, absent (i) misrepresentation by Indemnitee of a material fact in the request for indemnification or (ii) a final judicial determination that all or any part of such indemnification is expressly prohibited by law.

(f) The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, adversely affect the rights of Indemnitee to indemnification hereunder except as may be specifically provided

herein, or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or create a presumption that (with respect to any criminal action or proceeding) Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(g) For purposes of any determination of good faith hereunder, Indemnitee shall be deemed to have acted in good faith if in taking such action Indemnitee relied on the records or books of account of the Company or an Affiliate, including financial statements, or on information supplied to Indemnitee by the officers of the Company or an Affiliate in the course of their duties, or on the advice of legal counsel for the Company or an Affiliate or on information or records given or reports made to the Company or an Affiliate by an independent certified public accountant or by an appraiser or other expert selected with reasonable care to the Company or an Affiliate. The Company shall have the burden of establishing the absence of good faith. The provisions of this Section 9(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(h) The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company or an Affiliate shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

10. REMEDIES IN CASES OF DETERMINATION NOT TO INDEMNIFY OR TO ADVANCE EXPENSES.

(a) In the event that (i) a determination is made that Indemnitee is not entitled to indemnification hereunder, (ii) advances are not made pursuant to Section 8 hereof or (iii) payment has not been timely made following a determination of entitlement to indemnification pursuant to Section 9 hereof, Indemnitee shall be entitled to seek a final adjudication either through an arbitration proceeding or in an appropriate court of the State of Delaware or any other court of competent jurisdiction of Indemnitee's entitlement to such indemnification or advance.

(b) In the event a determination has been made in accordance with the procedures set forth in Section 9 hereof, in whole or in part, that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration referred to in Section 10(a) shall be DE NOVO and Indemnitee shall not be prejudiced by reason of any such prior determination that Indemnitee is not entitled to indemnification, and the Company shall bear the burdens of proof specified in Sections 6 and 9 hereof in such proceeding.

(c) If a determination is made or deemed to have been made pursuant to the terms of Section 9 or 10 hereof that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration in the absence of (i) a misrepresentation of a material fact by Indemnitee or (ii) a final judicial determination that all or any part of such indemnification is expressly prohibited by law.

(d) To the extent deemed appropriate by the court, interest shall be paid by the Company to Indemnitee at a reasonable interest rate for amounts which the Company indemnifies or is obliged to indemnify Indemnitee for the period commencing with the date on which Indemnitee requested indemnification (or reimbursement or advancement of any Expenses) and ending with the date on which such payment is made to Indemnitee by the Company.

11. **EXPENSES INCURRED BY INDEMNITEE TO ENFORCE THIS AGREEMENT.** All Expenses incurred by Indemnitee in connection with the preparation and submission of Indemnitee's request for indemnification hereunder shall be borne by the Company. In the event that Indemnitee is a party to or intervenes in any proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee, if Indemnitee prevails in whole in such action, shall be entitled to recover from the Company, and shall be indemnified by the Company against, any Expenses incurred by Indemnitee. If it is determined that Indemnitee is entitled to indemnification for part (but not all) of the indemnification so requested, Expenses incurred in seeking enforcement of such partial indemnification shall be reasonably prorated among the claims, issues or matters for which Indemnitee is entitled to indemnification and for claims, issues or matters for which Indemnitee is not so entitled.

12. **NON-EXCLUSIVITY.** The rights of indemnification and to receive advances as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under any law, certificate of incorporation, by-law, other agreement, vote of stockholders or resolution of directors or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office. To the extent Indemnitee would be prejudiced thereby, no amendment, alteration, rescission or replacement of this Agreement or any provision hereof shall be effective as to Indemnitee with respect to any action taken or omitted by such Indemnitee in Indemnitee's position with the Company or an Affiliate or any other entity which Indemnitee is or was serving at the request of the Company prior to such amendment, alteration, rescission or replacement.

13. **DURATION OF AGREEMENT.** This Agreement shall apply to any claim asserted and any Losses and Expenses incurred in connection with any claim asserted on or after the effective date of this Agreement and shall continue until and terminate upon the later of: (a) ten years after Indemnitee has ceased to occupy any of the positions or have any of the relationships described in Section 3, 4 or 5 hereof; or (b) one year after the final termination of all pending or threatened Proceedings of the kind described herein with respect to Indemnitee. This Agreement shall be binding upon the Company and its respective successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisee, executors, administrators or other legal representatives.

14. **MAINTENANCE OF D&O INSURANCE.**

(a) The Company hereby covenants and agrees with Indemnitee that, so long as Indemnitee shall continue to serve as an Officer or Director of the Company, and for a reasonable period of time thereafter, the Company shall use commercially reasonable efforts to maintain in full

force and effect (taking into account the scope and amount of coverage available relative to the cost thereof) directors' and officers' liability insurance, issued by one or more reputable insurers, providing coverage for officers and directors of the Company or any of its subsidiaries, that is substantially comparable in scope and amount to the coverage available for any other director or officer of the Company (collectively, "D&O Insurance").

(b) In all policies of D&O Insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors or officers most favorably insured by such policy.

(c) Notwithstanding anything to the contrary set forth in (a) above, the Company shall have no obligation to maintain D&O Insurance if the Company determines in good faith that such insurance is not reasonably available, the premium cost for such insurance is disproportionate to the amount of coverage provided or the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit.

15. SEVERABILITY. Should any part, term or condition hereof be declared illegal or unenforceable or in conflict with any other law, the validity of the remaining portions or provisions hereof shall not be affected thereby, and the illegal or unenforceable portions hereof shall be and hereby are redrafted to conform with applicable law, while leaving the remaining portions hereof intact.

16. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

17. HEADINGS. Section headings are for convenience only and do not control or affect meaning or interpretation of any terms or provisions hereof.

18. MODIFICATION AND WAIVER. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto.

19. NO DUPLICATIVE PAYMENT. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment (net of Expenses incurred in collecting such payment) under any insurance policy, contract, agreement or otherwise.

20. NOTICES. All notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be deemed to have been given at the time when mailed, enclosed in a registered or certified postpaid envelope, in any general or branch office of the United States Postal Service, or sent by Federal Express or other similar overnight courier service, addressed to the address of the parties stated below or to such changed address as such party may have fixed by notice.

(a) If to Indemnitee, to the address appearing on the signature page hereof.

(b) If to the Company to:

i3 Verticals, Inc.
40 Burton Hills Blvd., Suite 415
Nashville, Tennessee 37215
Attention: General Counsel

21. **GOVERNING LAW.** The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware without regard to its conflicts of law rules.

22. **ENTIRE AGREEMENT.** Subject to the provisions of Section 12 hereof, this Agreement constitutes the entire understanding between the parties and supersedes all proposals, commitments, writings, negotiations and understandings, oral and written, and all other communications between the parties relating to the subject matter hereof. This Agreement may not be amended or otherwise modified except in writing duly executed by all of the parties. A waiver by any party of any breach or violation of this Agreement shall not be deemed or construed as a waiver of any subsequent breach or violation thereof.

[Signature Page Follows]

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

I3 VERTICALS, INC.

By: _____

Name: _____

Title: _____

INDEMNITEE

Name: _____

Address: _____

City and State: _____

Email Address: _____

[Signature Page to Indemnification Agreement]

i3 Verticals, Inc.
LIST OF SUBSIDIARIES

<u>Name of Subsidiary</u> <i>(Including d/b/a name, if applicable)</i>	<u>Jurisdiction of Incorporation</u>	<u>Doing Business As Name</u>
CP-DBS, LLC	Delaware	PaySchools
CP-PS, LLC	Delaware	
Fairway Payments, LLC	Virginia	Fairway Payments
i3-Axia, LLC	Delaware	Axia Payments
i3-BP, LLC	Delaware	Bill & Pay
i3-CS, LLC	Delaware	Court Solutions
i3-CSC, LLC	Delaware	
i3-EMS, LLC	Delaware	EMS
i3-EZPay, LLC	Delaware	EZPay
i3-Infin, LLC	Delaware	Infintech
i3-LL, LLC	Delaware	Local Level
i3-PBS, LLC	Delaware	Practical Business Solutions; RU Practical
i3-Randall, LLC	Delaware	Randall Data Systems
i3-RS, LLC	Delaware	Place
i3-TS, LLC	Delaware	
i3 Verticals, LLC	Delaware	
i3 Verticals Management Services, Inc.	Delaware	
i3-SDCR, Inc.	Delaware	
San Diego Cash Register Company, Inc.	California	SDCR

Consent of Independent Registered Public Accounting Firm

i3 Verticals, Inc.
Nashville, Tennessee

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated February 6, 2018, relating to the consolidated financial statements of i3 Verticals, LLC which is contained in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP
Nashville, Tennessee

May 25, 2018

Consent of Independent Auditor

i3 Verticals, Inc.
Nashville, Tennessee

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated February 6, 2018, relating to the financial statements of Fairway Payments, Inc., which is contained in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP
McLean, Virginia

May 25, 2018

Consent of Independent Auditor

i3 Verticals, Inc.
Nashville, Tennessee

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated February 5, 2018, relating to the financial statements of San Diego Cash Register Company, Inc., which is contained in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP
San Diego, California

May 25, 2018