

From: Richard Joslin <[REDACTED]>

To: jeffrey E. [REDACTED]

Subject: FW: Payment of \$500,000

Date: Mon, 11 Aug 2014 11:38:09 +0000

Attachments: Accounts_payable_aug_8.xls; Artspace_Commissions_owed_as_of_08-06-2014.xls;
Other_Assumed_Liabilities.docx

There was an agreement at the outset to pay the accrued commissions (ie 80%) when due in later half of 2014. The stipulation was that all cash on hand and cash generated prior to sale would pay all other liabilities, eg payroll.

There was also agreement in principle that each party would pay their own legal fees for deal – see next email

From: Richard Joslin

Sent: Friday, August 08, 2014 6:01 PM

To: 'Lakhdhir, David K'

Cc: [REDACTED]; Eileen Alexanderson; [REDACTED]

Subject: FW: Payment of \$500,000

Forwarding email from John

In response to your question, I think all other liabilities that will arise will come from vendors listed on the word doc sent by Catherine today (attached). Any liabilities incurred by these companies would be assumed by us, provided that they will be paid by in cash in Artspace. We agreed to that Artspace would pay unpaid sales tax, AMEX bills as well as payroll and payroll taxes from cash on hand.

Catherine agreed that all other liabilities on the balance sheet other than accounts payable and commissions would not be assumed. I do not anticipate any liability that is incurred before closing that is added to the balance sheet will be a type that is not assumed by us. The only item would be sales tax.

If there are sales from now until closing that are added to the balance sheet, that cash will be used to reduce operating liabilities.

Any unpaid liabilities from vendors on the the word doc and additional commissions arising from Aug 7 to Closing will be assumed by us, subject to the \$500K cap limit.

From: John Murphy [mailto:[REDACTED]]

Sent: Friday, August 08, 2014 5:37 PM

To: Keith Fox; Eileen Alexanderson; Catherine Levene <[REDACTED]> [REDACTED]; Richard Joslin

Subject: Payment of \$500,000

Hi all,

As part of the purchase we have agreed to pay accounts payable and commission due on behalf of ArtSpace with a cap of \$500,000.

Please find attached two lists that will support this payment.

- Accounts Payable \$103,874.92

- Commission due through 8/6/2014 \$402,571.53 (excludes Q1 commissions as this balance is now captured in the current Accounts Payable balance)

I suggest we use these two schedules against the \$500,000.

We will pay the accounts payable of \$103,874.92 and pay \$396,125.08 off the commission due balance through August 6th, 2014 of \$402,571.53.

Old co will need to pay for the remaining commission balance of \$6,446.45 plus any additional commission due between 8/6/2014 and deal close.

Regards,

John.

John Murphy
COO/CFO
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