# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## Rekor Systems, Inc.

### Form: 8-K

### Date Filed: 2020-07-06

Corporate Issuer CIK: 1697851

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

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): June 29, 2020

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**REKOR SYSTEMS, INC.**
(Exact name of registrant as specified in its charter)

| **Delaware** | **001-38338** | **81-5266334** |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**7172 Columbia Gateway Drive, Suite 400, Columbia, MD 21046**
(Address of Principal Executive Offices)

Registrant's Telephone Number, Including Area Code: **(410) 762-0800**

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.0001 par value per share | REKR | The Nasdaq Stock Market |

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

Emerging Growth Company ☐

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

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

***Global Technical Services Transaction***

On June 29, 2020, Rekor Systems, Inc. (the "Company") entered into a Stock Purchase Agreement (the "Purchase Agreement") by and among the Company, Global Technical Services, Inc., a Texas corporation and wholly owned subsidiary of the Company ("TeamGlobal"), and Talent Teams LLC, a Texas limited liability company owned by the members of TeamGlobal's management (the "Buyer"), pursuant to which the Company agreed to sell TeamGlobal, which is a national staffing firm that provides skilled technical professionals and maintenance and modification specialists to the aerospace and aviation maintenance industries, to Buyer.

Subject to the terms and conditions of the Purchase Agreement, the Buyer agreed to purchase all of the outstanding equity interests of TeamGlobal for a purchase price of $4,000,000, comprising (i) an aggregate of $2,300,000 in cash, consisting of $300,000 of cash received from Buyer and $2,000,000 of cash received from TeamGlobal, and (ii) a secured promissory note (the "Secured Note") in the initial principal amount of $1,700,000, with such Secured Note secured by a Pledge and Security Agreement (the "Pledge Agreement") with respect to all the outstanding shares of TeamGlobal being acquired by Buyer (the "Transaction"). The Transaction closed concurrently with execution of the Purchase Agreement.

The Purchase Agreement contains customary representations, warranties and covenants related to TeamGlobal and the Transaction. For a period of five years, the Company has agreed not to engage in activities that compete with the Business, nor for a period of two years solicit customers of TeamGlobal, among other covenants with respect to TeamGlobal as set forth more fully in the Purchase Agreement. Both the Company and the Buyer have agreed to indemnify the other party for losses arising from certain breaches of covenants contained in the Purchase Agreement and other liabilities, subject to certain limitations.

The Purchase Agreement also contains customary representations and warranties that the Company and the Buyer made to each other as of the date of the Purchase Agreement. The assertions embodied in those representations and warranties were made solely for purposes of the contract between the

Company and the Buyer, and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, the representations and warranties are subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders of the Company, and the representations and warranties may have been used to allocate risk between the Company and the Buyer rather than establishing matters as facts.

The foregoing descriptions of the Purchase Agreement, the Secured Note, and the Pledge Agreement do not purport to be complete and are qualified in their entirety by reference to the complete text of the Purchase Agreement, Secured Note, and Pledge Agreement, respectively. A copy of the Purchase Agreement is filed as Exhibit 2.1, and a copy of the Secured Note and the Pledge Agreement are filed as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

***Note Exchange Transaction***

On June 30, 2020, the Company entered into Exchange Agreements with certain holders (the "Exchange Share Recipients") of the Company's senior secured promissory notes issued pursuant to that certain Note Purchase Agreement, dated March 12, 2019 (the "Note Purchase Agreement"), among the Company, the guarantors from time to time party thereto, U.S. Bank, National Association, and the Exchange Share Recipients and other purchasers from time to time party thereto (the "2019 Notes"). Subject to the terms and conditions set forth in the Exchange Agreements, and in reliance on Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"), approximately $14.6 million aggregate principal amount of the 2019 Notes, including accreted interest plus certain fees payable pursuant to the terms of the 2019 Notes, will be redeemed in exchange for approximately 4,209,000 shares of the Company's common stock, par value $0.0001 per share, at a rate of $4 per share (the "Exchange"). Following the Exchange, approximately $4.9 million aggregate principal amount of the 2019 Notes will remain outstanding, and the total number of shares of the Company's common stock issued and outstanding following the Exchange will be approximately 27,151,000. The Exchange is subject to customary closing conditions, including but not limited to the receipt of approval from Nasdaq for the listing of the shares to be issued in the Exchange.

The foregoing description of the Exchange Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the Exchange Agreements, a form of which is attached hereto as Exhibit 10.3 and incorporated herein by reference.

***Third Amendment to Note Purchase Agreement***

As previously disclosed on the Company's Current Report on Form 8-K as filed with the SEC on March 26, 2020, the Company entered into a First Amendment to Note Purchase Agreement (the "First Note Amendment"), by and among parties to the Note Purchase Agreement. Pursuant to the terms of the First Note Amendment, the maturity date for the notes issued under the First Note Purchase Agreement was extended from March 11, 2021 to June 12, 2021, unless earlier accelerated pursuant to the terms of the Note Purchase Agreement, as amended.

As previously disclosed in the Company's Current Report on Form 8-K as filed with the SEC on April 6, 2020, the Company entered into a Partial Release and Second Amendment to Note Purchase Agreement (the "Second Amendment"), by and among the parties to the Note Purchase Agreement. Pursuant to the terms of the Second Amendment, the Company's wholly-owned subsidiary AOC Key Solutions, Inc. ("AOC") was released as a credit party and the assets related to AOC were released as collateral, and the Asset Disposition Proceeds terms of the Note Purchase Agreement were amended to reflect the AOC sale.

On June 29, 2020, in connection with the Transaction and the Exchange, the Company entered into a Partial Release and Third Amendment to Note Purchase Agreement (the "Third Amendment"), by and among the parties to the Note Purchase Agreement. Pursuant to the terms of the Third Amendment, TeamGlobal was released as a credit party and the assets related to TeamGlobal were released as collateral, the mandatory prepayments provision of the Note Purchase Agreement were waived with regard to the sale of TeamGlobal, the Exchange was authorized, the maturity date of the 2019 Notes remaining outstanding following the completion of the Exchange was extended to December 31, 2021, and certain other conforming amendments related to the foregoing were made.

The foregoing description of the Third Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Third Amendment a copy of which is attached hereto as Exhibit 10.4 and incorporated herein by reference.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

The disclosure set forth above in Item 1.01 regarding the Transaction is incorporated into this Item 2.01 by reference.

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

The disclosure set forth above under Item 1.01 regarding the Exchange is incorporated into this Item 3.02 by reference.

**Item 8.01 Other Events.**

On June 30, 2020, the Company issued a press release announcing the Transaction. A copy of this press release is attached hereto as Exhibit 99.1 hereto and is incorporated by reference herein.

On July 1, 2020, the Company issued a press release announcing the Exchange. A copy of this press release is attached hereto as Exhibit 99.2 hereto and is incorporated by reference herein.

***Forward-Looking Statements***

The Press Releases attached to this Current Report on Form 8-K contain forward-looking statements within the meaning of U.S. federal securities laws. Such forward-looking statements include, but are not limited to, statements regarding the expectations, hopes, beliefs, intentions, plans, prospects or strategies of the Company. Any statements contained therein that are not statements of historical fact may be deemed to be forward-looking statements. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in the Press Releases are based on certain assumptions and analyses made by the management of the Company in light of their respective experience and perception of historical trends, current conditions and expected future developments and their potential effects on the Company as well as other factors they believe are appropriate in the circumstances. There can be no assurance that future developments affecting the Company will be those anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the control of the parties) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions being made prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits.

The following exhibits are filed herewith:

| ExhibitNumber | Description |
|---|---|
| 2.1 | Stock Purchase Agreement, dated June 29, 2020, by and among Rekor Systems, Inc., Global Technical Services, Inc. and Talent Teams LLC. |
| 10.1† | Secured Promissory Note dated June 29, 2020. |
| 10.2 | Pledge and Security Agreement by and between Rekor Systems, Inc. and Talent Teams LLC dated June 29, 2020. |
| 10.3 | Form of Exchange Agreement |
| 10.4 | Third Amendment to Note Purchase Agreement, dated June 29, 2020, by and among the Company, the Purchasers from time to time party thereto and the Agent. |
| 10.5 | Second Amendment to Note Purchase Agreement, dated April 2, 2020, by and among the Company, the Purchasers from time to time party thereto and the Agent (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K as filed with the SEC on April 6, 2020). |
| 10.6 | First Amendment to Note Purchase Agreement, dated March 26, 2020, by and among the Company, the Purchasers from time to time party thereto and the Agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 26, 2020.). |
| 10.7 | Note Purchase Agreement, dated as of March 13, 2019, by and among the Credit Parties, the Purchasers from time to time party thereto and the Agent (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 18, 2019). |
| 99.1 | Press Release issued on June 30, 2020 |
| 99.2 | Press Release issued on July 1, 2020 |

† Schedules and similar attachments to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of such omitted materials to the SEC upon request.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**REKOR SYSTEMS, INC.**

Date: July 6, 2020

/s/ Robert A. Berman
Name: Robert A. Berman
Title: President and Chief Executive Officer

**STOCK PURCHASE AGREEMENT**

**BY AND AMONG**

**TALENT TEAMS LLC,**

**REKOR SYSTEMS, INC.,**

**AND**

**GLOBAL TECHNICAL SERVICES, INC.**

**TABLE OF CONTENTS**

**Exhibits**

**STOCK PURCHASE AGREEMENT**

**Dated as of June 29, 2020**

This Stock Purchase Agreement, (this "Agreement") is entered into as of the date first set forth above (the "Closing Date"), by and among (i) Talent Teams LLC, a Texas limited liability company ("Buyer"), (ii) Rekor Systems, Inc., a Delaware corporation ("Seller"), and (iii) Global Technical Services, Inc., a Texas corporation, ("TeamGlobal"). Each of Buyer, Seller and TeamGlobal may be referred to herein collectively as the "Parties" and separately as a "Party."

WHEREAS, Seller owns all of the outstanding shares of common stock, $0.10 par value per share of TeamGlobal (the "TeamGlobal Common Stock");

WHEREAS, Buyer desires to acquire from Seller, Seller desires to sell and transfer to Buyer, certain shares of TeamGlobal Common Stock held by Seller, and TeamGlobal desires to purchase, and Seller desires to sell to TeamGlobal all of the remaining shares of TeamGlobal Common Stock, in exchange for the payment of certain cash and other consideration and delivery of a promissory note on the terms and subject to the conditions set forth herein (together with the other transactions contemplated herein, the "Transactions");

WHEREAS, the Managers of Buyer ("Buyer Managers") and the Board of Directors of Seller ("Seller Board") have determined that the Transactions are desirable and in the best interests of Buyer and Seller; and

WHEREAS, this Agreement is being entered into for the purpose of setting forth the terms and conditions of the Transactions.

NOW THEREFORE, on the stated premises and for and in consideration of the mutual covenants and agreements hereinafter set forth and the mutual benefits to the Parties to be derived herefrom, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

## ARTICLE 1

## DEFINITIONS

Section 1.01 Defined Terms.

For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

(b) "Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(c) "Agreement" has the meaning set forth in the introductory paragraph hereof.

(d) "Balance Sheet" has the meaning set forth in Section 3.08(a).

(e) "Basket" has the meaning set forth in Section 7.07(a).

(f) "Business Day" shall mean any day on which commercial banks are generally open for business in the State of Maryland.

(g) "Buyer" has the meaning set forth in the introductory paragraph hereof.

(h) "Buyer Indemnified Party" has the meaning set forth in Section 7.02.

(i) "Buyer Managers" has the meaning set forth in the recitals hereto.

(j) "Cap" has the meaning set forth in Section 7.07(c).

(k) "Capitalization Table" means the table illustrating the amount of each "equity security", as that term is defined in the Exchange Act held by every shareholder of TeamGlobal, attached hereto as Exhibit A.

(l) "Cash Purchase Price" has the meaning set forth in Section 2.01(b).

(m) "Closing" has the meaning set forth in Section 2.02.

(n) "Closing Date" has the meaning set forth in the recitals hereto.

(o) "Code" means the Internal Revenue Code of 1986, as amended.

(p) "Competing Business" means any business within the United States, Canada, or on or through the World-Wide Web, which: (i) involves any products or services offered by TeamGlobal or described at https://www.teamglobal.com, as of the date immediately preceding the Closing Date; or (ii) is the same as, substantially similar in terms of product and service offering to, or competitive with a business described in the foregoing clauses (i) or (ii).

(q) "Contract" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

(r) "Customer" has the meaning set forth in Section 1.02(a)(ii).

(s) "Derivatives" means any options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Equity Securities of TeamGlobal or obligating TeamGlobal to issue or sell any Equity Securities.

(t) "Direct Claim" has the meaning set forth in Section 7.04(c).

(u) "Dispute" has the meaning set forth in Section 8.02(a).

(v) "Enforceability Exceptions" means (a) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar Laws of general application affecting enforcement of creditors' rights generally and (b) general principles of equity.

(w) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(x) "Financial Statements" has the meaning set forth in Section 3.08(a).

(y) "Fundamental Representations" has the meaning set forth in Section 7.01(a).

(z) "GAAP" has the meaning set forth in Section 3.08(a).

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

(bb) "Governmental Authorization" means any (a) consent, license, registration, or permit issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law; or (b) right under any Contract with any Governmental Authority.

(cc) "Income Tax" or "Income Taxes" means all federal, state, local, foreign and other net income, gross income, gross receipts, franchise, or profits taxes, fees, assessments, or charges of any kind whatsoever (including any amounts resulting from the failure to file any Tax Return), in each case together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

(dd) "Indebtedness" means, with respect to TeamGlobal, (i) all capital lease obligations of such party, (ii) all obligations of TeamGlobal for borrowed money (including lines of credit, term loans, mortgage loans, bonds, debentures, notes, deeds of trust, and member loans or with respect to deposits, overdrafts, or advances of any kind), (iii) all guarantees by such party of Indebtedness of other Persons, and (iv) all accrued but unpaid interest, redemption, termination, or prepayment premiums or penalties and any other fees and expenses relating to any of the obligations described in clauses (i), (ii), and (iii).

(ee) "Indemnified D&O Party" has the meaning set forth in Section 6.07(a).

(ff) "Indemnified Party" has the meaning set forth in Section 7.04.

(gg) "Indemnifying D&O Parties" has the meaning set forth in Section 6.07(b).

(hh) "Indemnifying Party" has the meaning set forth in Section 7.04.

(ii) "Knowledge of Seller" means the actual knowledge, after due inquiry, of Robert Berman, Eyal Hen and Riaz Latifullah.

(jj) "Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

(kk) "Liabilities" means any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, including without limitation any penalties, interest and/or excise tax as may be applicable, including, without limitation and regard to materiality, obligations to officers, directors, employees, and Affiliates.

(ll) "Liens" has the meaning set forth in Section 4.01.

(mm) "Losses" means losses, damages, Liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "Losses" shall not include (i) punitive damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party or (ii) lost profits or consequential damages, in any case.

(nn) "Note" has the meaning set forth in Section 2.01(b).

(oo) "Parties" and "Party" have the meanings set forth in the introductory paragraph hereof.

(pp) "Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

(qq) "Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

(rr) "Purchase Price" has the meaning set forth in Section 2.01(b).

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

(tt) "Selected Courts" has the meaning set forth in Section 8.03.

(uu) "Seller" has the meaning set forth in the introductory paragraph hereof.

(vv) "Seller Board" has the meaning set forth in the recitals hereto.

(ww) "Seller Charter Documents" means the Certificate of Incorporation, bylaws and other corporate documents and agreements of Seller.

(xx) "Seller Disclosure Schedules" has the meaning set forth in the introductory paragraph to ARTICLE 3.

(yy) "Seller Indemnified Party" has the meanings set forth in Section 7.03.

(zz) "Stock Pledge Agreement" means a stock pledge agreement substantially in the form attached as Exhibit E pursuant to which Buyer will grant to Seller a first priority perfected security interest in the TeamGlobal Common Stock to fully secure the Note.

(aa) "Stock Power" has the meaning set forth in Section 2.03(a)(i).

(bb) "Taxes" means: all federal, state, and local sales, use, ad valorem, transfer, registration, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, unclaimed property, escheat, windfall profits, customs, duties or other taxes of any kind whatsoever (including any amounts resulting from the failure to file any Tax Return), together with any interest and any penalties, additions to tax or additional amounts with respect thereto. The term "Taxes" also includes all Income Taxes.

(cc) "Tax Representation" has the meaning set forth in Section 7.01(a).

(dd) "Tax Return" or "Tax Returns" has the meaning set forth in Section 3.06(a).

(ee) "TeamGlobal" has the meaning set forth in the introductory paragraph hereof.

(ff) "TeamGlobal Charter Documents" has the meaning set forth in Section 3.01(b).

(gg) "TeamGlobal Common Stock" has the meaning set forth in the recitals hereto.

(hh) "Third-Party Claim" has the meaning set forth in Section 7.04(a).

(ii) "Transaction Documents" means this Agreement, the Note, the Stock Power, the Seller Disclosure Schedules and any other document, certificate or agreement to be delivered hereunder or in connection with the Transactions.

(jj) "Transaction Expenses" means any unpaid amount of any and all fees and expenses, incurred by or on behalf of, or paid or to be paid directly by, TeamGlobal or any Person that TeamGlobal pays or reimburses or is otherwise legally obligated to pay or reimburse (and which Seller causes to be incurred) by or on behalf of TeamGlobal on or before the Closing Date, in connection with the negotiation, preparation or execution of this Agreement, the Transaction Documents or the performance or consummation of the Transactions.

(kk) "Transactions" has the meaning set forth in the recitals hereto.

Section 1.02 Interpretation.

Unless the express context otherwise requires: (i) the words "hereof," "herein," and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; (ii) terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa; (iii) the terms "Dollars" and "$" mean United States Dollars; (iv) references herein to a specific Section, Subsection, Recital or Exhibit shall refer, respectively, to Sections, Subsections, Recitals or Exhibits of this Agreement; (v) wherever the word "include," "includes," or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation"; (vi) references herein to any gender shall include each other gender; (vii) references herein to any Person shall include such Person's heirs, executors, personal Representatives, administrators, successors and assigns; provided, however, that nothing contained in this Section 1.02 is intended to authorize any assignment or transfer not otherwise permitted by this Agreement; (viii) references herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity; (ix) references herein to any Contract (including this Agreement) mean such Contract as amended, supplemented or modified from time to time in accordance with the terms thereof; (x) with respect to the determination of any period of time, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding"; (xi) references herein to any Law or any license mean such Law or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time; and (xii) references herein to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder.

## ARTICLE 2

## THE TRANSACTIONS

Section 2.01 The Purchase.

(a) On the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Seller, shall sell, assign, transfer and deliver to Buyer, free and clear of all Liens, seven and one-half percent (7.5%) all of the shares of TeamGlobal Common Stock held by Seller, as set forth on the Capitalization Table, for the payment set forth in Section 2.01(b)(i), and TeamGlobal shall purchase, free and clear of all Liens, all the remaining shares of TeamGlobal Common Stock for the payments set forth in Section 2.01(b)(ii) and Section 2.01(b)(iii).

(b) In exchange for the sale, assignment, transfer, redemption, and delivery of the TeamGlobal Common Stock, Buyer and TeamGlobal shall pay to Seller a total purchase price of $4,000,000 (the "Purchase Price"). The Purchase Price shall be paid by: (i) wire transfers from Buyer to Seller on the Closing Date of the total amount of $300,000; (ii) wire transfer from TeamGlobal to Seller on the Closing Date of the total amount of $2,000,000; and (iii) delivery by TeamGlobal to Seller of a duly executed promissory note in the initial principal amount of $1,700,000 dated the Closing Date in the form attached as Exhibit B (the "Note"). The payments described in clauses (i) and (ii) of the preceding sentence are hereafter referred to as the " Cash Purchase Price" and will be made pursuant to wire instructions set forth on Exhibit C.

(c) Seller shall be responsible for the payment of any and all Taxes that may be imposed on Seller pursuant to the Transactions, including, without limitation, as a result of the receipt of the Purchase Price.

Section 2.02 Closing.

The closing of the Transactions (the "Closing") shall take place on the Closing Date remotely via the electronic exchange of documents and signatures related to the Transactions. At the Closing, the Parties shall exchange the documents and make the payment contemplated by Section 2.03 and Section 2.01(b). For Tax and accounting purposes, the Parties will treat the Closing as being effective as of 11:59 p.m. Eastern Time on the Closing Date.

Section 2.03 Closing Deliverables.

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

(i) a certificate of a duly authorized officer of Seller, dated as of the Closing Date, in form and substance satisfactory to Buyer: (A) attaching and certifying copies of any resolutions of the Seller Board relating to this Agreement, the other Transaction Documents and the Transactions; (B) certifying the name, title and true signature of each officer of Seller executing or authorized to execute this Agreement, the Transaction Documents, and such other documents, instruments and certifications required or contemplated hereby or thereby; (C) attaching and certifying copies of resolutions or written consents of the TeamGlobal Board of Directors and the Seller authorizing the Transactions and (D) attaching and certifying (i) a true, correct and complete copy of the TeamGlobal Charter Documents, certified by the Secretary of State of the State of Texas, and (ii) a certificate of good standing and legal existence of Seller and TeamGlobal issued by the Secretary of State of the State of Texas and dated as of a date no earlier than three Business Days prior to the Closing Date;

(ii) a stock power, substantially in the form attached hereto as Exhibit D ("Stock Power") duly executed by Seller and referencing the TeamGlobal Common Stock to be sold to Buyer at the Closing by Seller;

(iii) evidence of payment by the Seller of all Transaction Expenses (if any), including true and correct copies of all invoices with respect to the Transaction Expenses (if any);

(iv) an IRS Form W-9 completed by Seller;

(v) suitable documentation evidencing that control of all bank accounts set forth on Section 2.03(a)(v) of the Seller Disclosure Schedules will be turned over to Buyer effective as of the Closing;

(vi) evidence reasonably satisfactory to the Buyer of the release of any Liens on the TeamGlobal Common Stock and TeamGlobal assets maintained by U.S. Bank, N.A. and its Affiliates, and release of all obligations and Liabilities under that certain Note Purchase Agreement dated as of March 12, 2019, as amended, between Novume Solutions, Inc., the Guarantors (as defined in the Note Purchase Agreement, U.S. Bank N.A., and Cedarview Capital Management, L.P.) and any related ancillary agreements;

(vii) written resignations of each TeamGlobal director other than Scott Kostelecky and Gene Rhoades, effective as of the Closing Date; and

(viii) the Stock Pledge Agreement signed by the Seller;

(ix) such other documents as Buyer may reasonably request for the purpose of evidencing the accuracy of any of Seller's representations and warranties or otherwise facilitating the consummation or performance of any of the Transactions.

(b) At the Closing:

(i) Buyer and TeamGlobal shall deliver to Seller the Cash Purchase Price;

(ii) TeamGlobal shall deliver to Seller the Note;

(iii) Buyer shall deliver to Seller the Stock Pledge Agreement;

(iv) Buyer shall deliver to Seller a certificate of the Secretary of Buyer, dated as of the Closing Date, in form and substance satisfactory to Seller: (A) attaching and certifying copies of any resolutions of the Buyer Managers relating to this Agreement, the other Transaction Documents and the Transactions; (B) certifying the name, title and true signature of each officer of Buyer executing or authorized to execute this Agreement, the Transaction Documents, and such other documents, instruments and certifications required or contemplated hereby or thereby; and

(v) Buyer and TeamGlobal shall deliver such other documents as Seller may reasonably request for the purpose of evidencing the accuracy of any of Buyer's representations and warranties or otherwise facilitating the consummation or performance of any of the Transactions.

Section 2.04 Additional Closing Events.

At the Closing, Buyer, TeamGlobal and Seller shall execute, acknowledge, and deliver (or shall cause to be executed, acknowledged, and delivered), any and all certificates, Financial Statements, schedules, agreements, resolutions, rulings or other instruments required by this Agreement to be so delivered at or prior to the Closing, together with such other items as may be reasonably requested by the Parties hereto and their respective legal counsel in order to effectuate or evidence the Transactions.

**ARTICLE 3**

REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to the consummation of the Transactions, Seller represents and warrants to Buyer, as modified by the schedules of exceptions to the representations of Seller annexed hereto (the "Seller Disclosure Schedules") as follows:

Section 3.01 Organization and Qualification.

(a) TeamGlobal is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Texas and has the power and is duly authorized under all applicable Laws, to carry on its business in all material respects as it is now being conducted. TeamGlobal is qualified to do business in the states where the character of the properties and assets occupied, owned, leased or operated by TeamGlobal or the nature of its business requires such qualification, except where any failure to be so qualified would not individually or in the aggregate be material to TeamGlobal. To the Knowledge of Seller, no proceeding has been instituted in any jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail the power and authority or qualification of TeamGlobal within such jurisdiction. TeamGlobal does not have any subsidiaries and does not own Equity Securities of any other Person.

(b) The Articles of Incorporation, bylaws and other corporate documents and agreements of TeamGlobal (the " TeamGlobal Charter Documents") are set forth in Section 3.01(b) of the Seller Disclosure Schedules. Seller and TeamGlobal have taken all actions required by Law, the TeamGlobal Charter Documents, or otherwise to authorize the execution and delivery of this Agreement.

(c) Seller is duly organized, validly existing, and in good standing under the Laws of the State of Delaware and has the power and is duly authorized under all applicable Laws, to carry on its business in all material respects as it is now being conducted.

Section 3.02 Power and Authority.

Seller and TeamGlobal have all requisite power and authority to execute, deliver and perform their obligations under this Agreement and the Transaction Documents, and to consummate Transactions.

Section 3.03 Authorization of Agreement; Etc.

The execution, delivery and performance of this Agreement and the other Transaction Documents by Seller and TeamGlobal, and the consummation of Transactions, have been duly authorized and all necessary corporate action of Seller and TeamGlobal. This Agreement has been duly executed and delivered on behalf of Seller and TeamGlobal. This Agreement constitutes a valid and binding obligation of Seller and TeamGlobal enforceable in accordance with its terms, except that such enforcement may be limited by the Enforceability Exceptions, and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

Section 3.04 No Conflict.

The execution of this Agreement and the Transaction Documents, and the consummation of the Transactions (i) will not violate any provision of the TeamGlobal Charter Documents or the Seller Charter Documents, (ii) will not, with or without notice, lapse of time or both, result in the breach of any term or provision of, constitute a default under, or terminate, accelerate or modify the terms of any indenture, mortgage, deed of trust, material Contract, or other material agreement, or instrument to which TeamGlobal or Seller is a party or to which any of its assets, properties or operations are subject, (iii) violate any provision of Law, statute, rule, regulation, Governmental Authority order, or executive order to which TeamGlobal or Seller is subject, (iv) violate any judgment, order, writ or decree of any court applicable to TeamGlobal or Seller, or (v) result in the creation of any Liens or Indebtedness (other than that explicitly provided for in this Agreement), except in the case of clauses (ii), (iii) and (iv) of this sentence for breaches or violations that would not individually or in the aggregate be reasonably expected to materially and adversely affect the business or financial results of either TeamGlobal or Seller.

Section 3.05 Capitalization.

(a) The authorized shares of capital stock of TeamGlobal consist of 1,000,000 shares of common stock, $0.10 par value per share.

(b) The Capitalization Table is true, correct and complete.

(c) The only shares of TeamGlobal Common Stock issued and outstanding are those owned by Seller, in the amounts set forth on the Capitalization Table. None of the outstanding shares of TeamGlobal Common Stock were issued in violation of the preemptive or other rights of any shareholder or other Person. All of the shares of TeamGlobal Common Stock owned by Seller have been offered, sold and delivered by TeamGlobal in compliance with all applicable federal and state securities Laws or an exemption thereto.

(d) Other than as set forth on the Capitalization Table, there are no outstanding or authorized Derivatives, and TeamGlobal does not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the shares of TeamGlobal Common Stock or to which such shares are subject.

(e) The issued and outstanding shares of TeamGlobal Common Stock are duly authorized, validly issued, fully paid, non-assessable, and owned beneficially by the Seller, free and clear of all Liens, other than restrictions on transfer provided for in the Transaction Documents, the TeamGlobal Charter Documents and under applicable Laws. Upon consummation of the Transactions contemplated by this Agreement, Buyer shall own all of the shares of TeamGlobal Common Stock, free and clear of all Liens.

Section 3.06 Tax Status.

(b) For the period from October 1, 2017 to the date hereof TeamGlobal (or the Seller on TeamGlobal's behalf) has made or filed all federal and state Income Tax Returns, reports and declarations required by any jurisdiction to which it is subject (unless, and only to the extent, TeamGlobal has set aside on its books, provisions reasonably adequate for the payment of all such unpaid and unreported taxes) with respect to any Tax, including but not limited to Income Tax (the "Tax Return" or "Tax Returns"). Such Tax Returns are, or will be, true, complete, and correct in all respects. TeamGlobal (or Seller) has paid all Income Taxes that are shown or determined to be due on such Tax Returns, except those being contested in good faith. To the Knowledge of Seller, there are no unpaid Income Taxes claimed to be due or may be due by TeamGlobal by the taxing authority of any jurisdiction. To the Knowledge of Seller, there are no unpaid Taxes (other than Income Taxes) in any material amount claimed to be due by TeamGlobal by the taxing authority of any jurisdiction.

(c) To the Knowledge of Seller, no extensions or waivers of statutes of limitations have been given or requested with respect to any TeamGlobal Income Taxes. All Income Tax deficiencies asserted, or assessments made, against TeamGlobal as a result of any examinations by any taxing authority have been fully paid. TeamGlobal is not a party to any Action by any taxing authority. To the Knowledge of Seller, there are no pending or threatened Actions by any taxing authority. Seller has delivered to Buyer copies of all Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by, TeamGlobal for all Income Tax periods ending after October 1, 2017. To the Knowledge of Seller, there are no Liens for Taxes (other than for current Taxes not yet due and payable) upon the assets of TeamGlobal.

(d) Except for TeamGlobal's participation as a member of the Rekor Systems, Inc. Tax group, TeamGlobal has not been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes. To the Knowledge of Seller, TeamGlobal has no Liability for Taxes of any Person (other than TeamGlobal) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local, or foreign Law), as a transferee or successor, by contract or otherwise.

Section 3.07 Brokers.

Except as disclosed in Section 3.07 of the Seller Disclosure Schedules, neither Seller nor TeamGlobal has retained any broker or finder in connection with any of the Transactions, and has not incurred or agreed to pay, or taken any other action that would entitle any Person to receive, any brokerage fee, finder's fee or other similar fee or commission with respect to any of the Transactions.

Section 3.08 Financial Statements, No Undisclosed Liabilities.

(a) Financial Statements. TeamGlobal's unaudited financial statements for fiscal years 2018 and 2019, and the unaudited balance sheet of TeamGlobal for the period ended on May 31, 2020 (collectively, the "Financial Statements"), copies of all of which have been provided to Buyer and TeamGlobal, are true, correct, and complete in all material respects and have been prepared from the books, records and accounts of TeamGlobal consistently applied and fairly present in all material respects the financial position of TeamGlobal as of the date of the statements and the results of TeamGlobal's operations for the periods covered by the statements. TeamGlobal Financial Statements are prepared in accordance with United States generally accepted accounting principles ("GAAP"). There has been no material adverse change in TeamGlobal's financial condition since May 31, 2020. The balance sheet for the period ending May 31, 2020 is referred to in this Agreement as the "Balance Sheet." Section 3.08(a) of the Seller Disclosure Schedules contains a copy of the Balance Sheet.

(b) No Undisclosed Liabilities. To the Knowledge of Seller, TeamGlobal does not have any Liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, whether known or unknown, except for Liabilities (i) set forth on Section 3.08(b) of the Seller Disclosure Schedule, (ii) reflected on the Balance Sheet, (iii) incurred since the date of the Balance Sheet in the ordinary course of business consistent with past practice and which are not, individually or in the aggregate, material in amount, or (iv) which are expressly disclosed on any other section of the Seller Disclosure Schedule or this Agreement. To the Knowledge of Seller, all the assets of TeamGlobal are free and clear of any Liens placed thereon by Seller or caused to be placed thereon by Seller, except for any Liens related to Indebtedness listed on Section 3.09 of the Seller Disclosure Schedule.

Section 3.09 Existing Indebtedness.

Except as described therein, and except with respect to Indebtedness from which TeamGlobal will be released on the Closing Date, Section 3.09 of the Seller Disclosure Schedule sets forth a complete and correct list of all outstanding Indebtedness of TeamGlobal as of the Closing Date, specifying whether such Indebtedness is secured or unsecured. Except as set forth on Section 3.09 of the Seller Disclosure Schedule, as of the Closing Date, to the Knowledge of Seller, TeamGlobal is not in default and no waiver of default is currently in effect, in the payment of any principal or interest on any such Indebtedness, and no event or condition exists with respect to any such Indebtedness, that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

*Section 3.10* Absence of Certain Changes and Events .

Since December 31, 2019, to the Knowledge of Seller, TeamGlobal has conducted its business only in the ordinary course and there has not been any:

(a) change in the authorized or issued shares of TeamGlobal's capital stock (including TeamGlobal Common Stock) or split, combination or reclassification of any shares of TeamGlobal Common Stock;

(b) grant of any option, warrant, or other right to purchase or obtain (including upon conversion, exchange, or exercise) shares of TeamGlobal Common Stock;

(c) issuance of any security convertible into such TeamGlobal Common Stock;

(d) grant of any purchase, redemption, or other acquisition of any shares of TeamGlobal Common Stock; or declaration or payment of any distribution or payment in respect of shares of TeamGlobal Common Stock;

(e) material change in the accounting methods used by TeamGlobal;

(f) imposition, by action of the Seller, of any Liens or other encumbrances upon any of TeamGlobal Common Stock; or

(g) action by Seller to make, change, or rescind any Tax election for TeamGlobal, amend any TeamGlobal Tax Return, or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax Liability or reducing any Tax asset of TeamGlobal in respect of any post-Closing Tax period.

Section 3.11 Disclaimer.

BUYER ACKNOWLEDGES AND AGREES THAT EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, INCLUDING THE REPRESENTATIONS AND WARRANTIES IN THIS ARTICLE 3 (AS MODIFIED BY THE SELLER DISCLOSURE SCHEDULES), ANY CERTIFICATE DELIVERED PURSUANT HERETO, OR ANY TRANSACTION DOCUMENT (I) SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF TEAMGLOBAL OR ITS ASSETS, AND SELLER SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO TEAMGLOBAL OR ITS ASSETS, OR THE ABSENCE OF ANY DEFECTS IN THE ASSETS OF TEAMGLOBAL, WHETHER LATENT OR PATENT, IT BEING UNDERSTOOD THAT TEAMGLOBAL AND ITS ASSETS AND LIABILITIES ARE BEING ACQUIRED THROUGH THE TRANSACTIONS "AS IS, WHERE IS" ON THE CLOSING DATE, AND IN THEIR PRESENT CONDITION, AND BUYER SHALL RELY ON ITS OWN EXAMINATION AND INVESTIGATION THEREOF; (II) NONE OF SELLER NOR ANY OF ITS AFFILIATES, NOR ANY REPRESENTATIVE OF THE FOREGOING, IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER REGARDING THE SUBJECT MATTER OF THIS AGREEMENT, EXPRESS OR IMPLIED EXCEPT AS PROVIDED IN THIS ARTICLE 3 AND AS OTHERWISE SET FORTH ELSEWHERE IN THIS AGREEMENT, AND ANY OTHER STATEMENT OR INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO BUYER OR ITS AFFILIATES OR ITS REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO BUYER OR ANY BUYER REPRESENTATIVE BY ANY DIRECTOR, OFFICER, EMPLOYEE, AGENT, CONSULTANT, OR REPRESENTATIVE OF SELLER OR ANY SELLER AFFILIATE) IS SUPERSEDED HEREBY; AND (III) SELLER HEREBY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY OF THE FOREGOING REFERENCED IN SUB-CLAUSES (I) AND (II).

## ARTICLE 4

ADDITIONAL REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer, solely with respect to the shares of TeamGlobal Common Stock tendered by Seller at Closing, as follows.

Section 4.01 Good Title.

Seller is the record and beneficial owner, and has good title to the shares of TeamGlobal Common Stock set forth opposite its name on the Capitalization Table, with the right and authority to sell and deliver such shares of TeamGlobal Common Stock, free and clear of all Liens and claims, accounts (whether payable or receivable), charges, encumbrances, pledges, mortgages, security interests, options, rights to acquire, proxies, voting trusts or similar agreements, restrictions on transfer or adverse claims of any nature whatsoever (collectively, "Liens") other than restrictions on transfer provided for in the Transaction Documents, the TeamGlobal Charter Documents and under applicable Laws and other than Liens to be released prior to Closing. None of the shares of TeamGlobal Common Stock held by Seller is subject to pre-emptive or similar rights, either pursuant to any TeamGlobal Charter Documents, requirement of Law or any Contract, and Seller does not have any pre-emptive rights or similar rights to purchase or receive any TeamGlobal Common Stock or other interests in TeamGlobal. Seller has the power and authority to transfer the shares of TeamGlobal Common Stock set forth opposite its name on the Capitalization Table to Buyer and TeamGlobal as contemplated pursuant to the terms of this Agreement and upon delivery of any certificate or certificates duly assigned, representing the same as herein contemplated and/or upon registering Buyer and TeamGlobal or their designees as the new owners of such shares of TeamGlobal Common Stock in the records maintained by TeamGlobal listing the names of shareholders and their respective ownership of shares of TeamGlobal Common Stock. Buyer and TeamGlobal or their designees will receive good title to such shares of TeamGlobal Common Stock, free and clear of all Liens other than Liens provided for in the Transaction Documents, the TeamGlobal Charter Documents, the Financial Statements of TeamGlobal provided to Buyer and TeamGlobal and under applicable Laws.

## ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to, and to obtain the reliance of Seller, Buyer represents and warrants to Seller as follows:

Section 5.00 Organization.

Buyer is a limited liability company duly organized, validly existing, and in good standing under the Laws of the State of Texas and has the power and is duly authorized under all applicable Laws, regulations, ordinances, and orders of public authorities to carry on its business in all material respects as it is now being conducted. The execution and delivery of this Agreement and the Transaction Documents does not, and the consummation of Transactions will not, violate any provision of Buyer's articles of organization or operating agreement. Buyer has taken all action required by Law, its articles of organization or operating agreement, or otherwise to authorize the execution and delivery of this Agreement and the consummation of the Transactions.

Section 5.01 Power and Authority.

Buyer has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and the Transaction Documents and to consummate the Transactions.

Section 5.02 Authorization of Agreement; Etc.

This Agreement has been duly executed and delivered on behalf of Buyer. This Agreement constitutes, and when executed the Transaction Documents will constitute, valid and binding obligations of Buyer enforceable in accordance with their terms, except that such enforcement may be limited by the Enforceability Exceptions, and subject to the qualification that the availability of equitable remedies is subject to the discretion of the court before which any proceeding therefore may be brought.

Section 5.03 No Conflict.

The execution of this Agreement and the Transaction Documents and the consummation of the Transactions: (i) will not, with or without notice, lapse of time or both, result in the breach of any term or provision of, constitute a default under, or terminate, accelerate or modify the terms of any indenture, mortgage, deed of trust, or other material agreement, or instrument to which Buyer is a party or to which any of its assets, properties or operations are subject; (ii) violate any Law to which Buyer is subject; or (iii) violate any judgment, order, writ or decree of any court applicable to Buyer.

Section 5.04 Sufficiency of Funds.

Buyer shall have at Closing, sufficient cash, available lines of credit or other sources of immediately available funds on hand to enable Buyer to perform all of its respective obligations under the Transaction Documents, including the payment of the Purchase Price.

Section 5.05 No Brokers.

Buyer has not retained any broker or finder in connection with any of the Transactions, and Buyer has not incurred or agreed to pay, or taken any other action that would entitle any Person to receive, any brokerage fee, finder's fee or other similar fee or commission with respect to any of the Transactions.

## ARTICLE 6

## COVENANTS AND ADDITIONAL AGREEMENTS OF THE PARTIES

Section 6.01 Public Announcements.

Except as required by applicable Law or as set forth in herein, the Parties shall consult with each other before issuing any press release or making any public statement with respect to this Agreement or Transactions.

Section 6.02 Notices of Certain Events.

In addition to any other notice required to be given by the terms of this Agreement, each of the Parties shall promptly notify each of the other Parties of:

(a) any notice or other communication received from any Person alleging that the consent of such Person is or may be required in connection with any of the Transactions;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the Transactions; and

(c) any Actions commenced or, to its knowledge threatened against, relating to or involving or otherwise affecting such Party that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant hereto or that relates to the consummation of the Transactions.

Section 6.03 Consents of Third Parties.

Each of the Parties will give any notices to third parties, and will use its commercially-reasonable efforts to obtain any third-party consents, that the other Parties reasonably may request in connection with this Agreement. Each of the Parties will give any notices to, make any filings with, and use its commercially reasonable efforts to obtain any Governmental Authorizations in connection with the Transactions.

Section 6.04 Non-Competition; Non-Solicitation; Non-Disparagement .

(a) For a period of five (5) years following the Closing, Seller shall not, and shall cause any Affiliate not to, directly or indirectly through any Person or contractual arrangement:

(i) engage in Competing Business or perform management, executive or supervisory functions with respect to, own, operate, join, control, render financial assistance to, exert any influence upon, participate in, or allow any of its officers or employees to be connected as an officer, employee, partner, member, stockholder or consultant with, any Person engaged in a Competing Business; or

(ii) approach with respect to or seek Competing Business from any Customer (as hereinafter defined), refer Competing Business from any Customer to any Person or be paid commissions based on sales received from any Customer by any Person where such business or sale relates to Competing Business. For purposes of this clause (a)(ii), the term "Customer" means any Person to which TeamGlobal provided products or services during the thirty-six-month period prior to Closing; provided, that the foregoing shall not prohibit any referral of business by Seller to Buyer.

(b) For a period of two (2) years following the Closing, neither Seller nor Buyer shall, nor shall Seller or Buyer cause or permit any Affiliate to:

(i) directly or indirectly through any Person or contractual arrangement, disparage the other Party, TeamGlobal or any of their respective Affiliates in any way that could adversely affect any of their goodwill, reputation or business relationships with the public generally, or with any of their customers, suppliers or employees; or

(ii) solicit, recruit or hire any Person who is or during the thirty-six-month period prior to Closing was an officer, director or employee of the other Party, provided, that the foregoing shall not prohibit (A) a general solicitation to the public by general advertising or similar methods of solicitation by search firms not specifically directed at officers, directors or employees of the other Party and (B) any Party from soliciting, recruiting or hiring any officer, director or employee of the other Party six or more months following the cessation of employment of such Person by the other Party or any of its Affiliates following the Closing.

For greater certainty, in this Section 6.04, TeamGlobal shall not be considered an Affiliate of Seller.

(c) The Parties acknowledge and agree that compliance with the covenants set forth in this Section 6.04 is necessary to protect the value of the ongoing business and assets (including the goodwill) and other proprietary interests of their businesses. Each Party further acknowledges and agrees that any breach by it of any applicable provision of this Section 6.04 will result in irreparable and continuing injury to the other Party for which there will be no adequate remedy at Law. Each Party acknowledges and agrees that in the event of such a breach, in addition to all other remedies available at Law, the other Party shall be entitled to equitable relief, including interim relief (in the form of a temporary restraining order) or injunctive relief, to have such other covenant(s) specifically enforced by any court having equity jurisdiction, and an equitable accounting of all earnings, profits or other benefits arising therefrom, as well as such other damages or relief as may be appropriate. Each Party has independently consulted with its counsel and after such consultation agrees that the covenants set forth in this Section 6.04 are reasonable and proper to protect the legitimate interests of the other Party.

(d) It is the intention of the Parties that the scope and effect of the covenants contained in this Section 6.04 shall be as broad in time and geography, and in all other respects, as is permitted pursuant to applicable Law. The provisions of this Section 6.04 are severable and independent and shall be interpreted and applied consistently with the requirements of reasonableness and equity. If a court of competent jurisdiction determines that the character, duration or geographical scope of the provisions of this Section 6.04 are unreasonable, it is the intention and the agreement of the Parties that these provisions shall be construed by the court in such a manner as to impose only those restrictions on the conduct of the Parties that are reasonable in light of the circumstances and as are necessary to assure to the Parties the benefits of this Agreement.

(e) Each Party agrees that if it breaches or violates the covenants set forth in this Section 6.04, such breach or violation will result in significant damage to the other Party, including the loss of a significant portion of the benefit that the other Party would otherwise receive hereunder. Each Party further agrees that it is and would be inherently difficult or impossible to ascertain the amount of damages caused by such a breach or violation. Therefore, notwithstanding any other provisions of this Agreement, each Party agrees, as liquidated damages and not as a penalty, and without any need of the other Party to otherwise prove or disprove the amount of damages, to pay to the other Party an amount equal to 10% (ten percent) of the Purchase Price, or, in the alternative, such maximum lesser amount permitted by Law, in the event a Party violates the covenants set forth in this Section 6.04. The Parties agree this is fair because of the difficulty in calculating with accuracy the damages suffered by a Party in the event the other Party violates its obligations as set forth in this Section 6.04 and further agrees that the liquidated damages amount is a fair estimate of such damages. The provisions of this Section 6.04 shall be supplemental to, and shall in no way limit, non-monetary remedies that may be available to a Party, including the right of a Party to seek specific performance or injunctive relief in the event of a breach by the other Party of its obligations as set forth in this Section 6.04.

(f) Confidentiality. From and after the Closing, Seller shall, and shall cause its Affiliates (for the avoidance of doubt, other than TeamGlobal) to, hold, and shall use its reasonable best efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning TeamGlobal, except to the extent that Seller can show that such information (i) is generally available to and known by the public through no fault of Seller, any of its Affiliates or their respective Representatives; (ii) is lawfully acquired by Seller, any of its Affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation; or (iii) is required to be disclosed pursuant to legal obligations or stock exchange rules. If Seller or any of its Affiliates or their respective Representatives are compelled to disclose any information by judicial, investigative, or administrative process or by other requirements of Law, Seller shall promptly notify Buyer in writing, to the extent commercially and shall disclose only that portion of such information which Seller is advised by its counsel in writing is legally required to be disclosed, provided that Seller shall use reasonable best efforts to assist Buyer in obtaining an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 6.05 Further Assurances.

Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the Transactions. To the extent Seller fails to deliver an item required to be delivered by it at Closing under Section 2.03, no action of Buyer, including the execution of this Agreement, will be a waiver of such obligation or any Buyer remedies. Seller shall deliver such items promptly after Closing.

Section 6.06 Tax Returns for Pre-Closing Tax Periods .

Seller shall prepare, or cause to be prepared, all Tax Returns required to be filed by TeamGlobal after the Closing Date with respect to a Pre-Closing Tax Period. Seller shall pay all Taxes that are shown or determined to be due on such Tax Returns for Pre-Closing Tax Periods.

Section 6.07 Continuing Indemnification.

(a) Buyer and Seller agree that all rights to indemnification, advancement of expenses, and exculpation by TeamGlobal now existing in favor of each Person who is now, or has been at any time prior to the date hereof an officer or director of TeamGlobal or any of its subsidiaries (each an "Indemnified D&O Party") as provided in the Bylaws of TeamGlobal, as in effect on the Closing Date, or pursuant to any other Contracts in effect on the date hereof, shall survive the Transactions and shall remain in full force and effect in accordance with their terms.

(b) For a period of six (6) years from the Effective Time, the Buyer and TeamGlobal (the " Indemnifying D&O Parties ") shall indemnify, defend and hold harmless each Indemnified D&O Party (in all their capacities) against all losses, claims, damages, liabilities, fees, expenses, judgments and fines incurred in connection with any claim, suit, action or proceeding, whether civil, criminal, administrative, or investigative (each a "Claim") and shall provide advancement of expenses (including reasonable attorneys' fees) to each Indemnified D&O Party to the same extent such Indemnified D&O Party has the right to advancement of reasonable and documented expenses pursuant to the TeamGlobal Charter Documents as in effect on the date of this Agreement and to the extent that such Indemnified D&O Party does not have such a right to advancement of expenses, the Indemnifying D&O Parties shall promptly reimburse each Indemnified D&O Party for any legal or other expenses reasonably incurred by such Indemnified D&O Party in connection with investigating or defending any such Claim as such expenses are incurred, subject to the receipt of an undertaking by such Indemnified D&O Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable judgment of a court of competent jurisdiction that such Indemnified D&O Party is not entitled to be indemnified under applicable Law.

(c) The obligations of Seller and TeamGlobal under this Section 6.07 shall survive the Transactions and shall not be terminated or modified in such a manner as to adversely affect any Indemnified D&O Party to whom this Section 6.07 applies without the consent of such affected Indemnified D&O Party (it being expressly agreed that the Indemnified D&O Parties to whom this Section 6.07 applies shall be third party beneficiaries of this Section 6.07, each of whom may enforce the provisions of this Section 6.07).

(d) In the event Buyer, TeamGlobal or any of their respective successors or assigns: (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger; or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or TeamGlobal, as the case may be, shall assume all of the obligations set forth in this Section 6.07. The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified D&O Party is entitled, whether pursuant to Law, Contract, or otherwise. Nothing in this Agreement is intended to, shall be construed to, or shall release, waive, or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to TeamGlobal or its officers, directors, and employees, it being understood and agreed that the indemnification provided for in this Section 6.07 is not in lieu of or in substitution for, any such claims under any such policies.

**ARTICLE 7**

SURVIVAL; INDEMNIFICATION

Section 7.01 Survival.

(a) Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing Date and shall remain in full force and effect as follows: (i) the representations and warranties set forth in Section 3.01, Section 3.02, Section 3.03, Section 3.04(i), (iii) and (v), Section 3.05, Section 4.01, Section 5.01, Section 5.02 and Section 5.03 (collectively, the "Fundamental Representations") shall survive until the date that is twenty four (24) months after the Closing Date; (ii) any claim based on fraud or intentional misrepresentation, shall survive indefinitely; (iii) the representations and warranties set forth in Section 3.06 (the "Tax Representation") shall survive the Closing Date until sixty (60) days following the expiration of the applicable statute of limitations; and (iv) all other representations and warranties contained herein shall survive until the date that is eighteen (18) months after the Closing Date.

(b) The covenants or agreements required to be performed following Closing shall each survive until the later of (i) the thirtieth (30th) day following the expiration of the applicable statute of limitations (giving effect to the waiver, mitigation, or extension thereof) or, (ii) until fully performed in accordance with their terms (unless a shorter period is prescribed with respect to such covenant or agreement).

(c) Any claim arising out of or in connection with this Agreement must be brought, if at all, within the applicable survival period for the applicable representation, warranty or covenant with respect to which the claim is raised, or within such shorter period as may be specified with respect to a particular claim, or it will be deemed waived and released. Notwithstanding the other provisions of this Section 7.01, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation, warranty, covenant, or agreement, and such claims shall survive until finally resolved.

Section 7.02 Indemnification by Seller.

Subject to the provisions of this ARTICLE 7, Seller hereby covenants and agrees with Buyer that Seller shall indemnify Buyer, its owners, officers and employees, and post-Closing, TeamGlobal, and each of their respective Representatives, successors and assigns (individually, a "Buyer Indemnified Party"), and hold them harmless from, against and in respect of any and all Losses incurred or sustained by, or imposed upon any Buyer Indemnified Party resulting from or related to, arising out of, or based upon: (i) any inaccuracy or breach of any representation or warranty of Seller in this Agreement or in any instrument or certificate delivered by or on behalf of Seller pursuant to this Agreement; (ii) the non-fulfillment or breach of any agreement, covenant or obligation by Seller made in this Agreement (including without limitation any Exhibit or Schedule hereto and any certificate or instrument delivered in connection herewith); (iii) Income Taxes of TeamGlobal for any taxable period beginning on or after October 1, 2017 and ending on or before the Closing Date; (iv) Transaction Expenses (if any) not paid prior to Closing; or (v) fraud or intentional misrepresentations of Seller. For the avoidance of doubt, after the Closing, Seller shall not have any obligations to indemnify or reimburse Buyer or TeamGlobal for any assessment against TeamGlobal or Buyer relating to any payroll Taxes.

Section 7.03 Indemnification by Buyer.

Subject to the provisions of this ARTICLE 7, Buyer hereby covenants and agrees that Buyer shall indemnify Seller and Seller's directors, officers, employees and Affiliates, and each of their respective Representatives, successors and assigns (individually a "Seller Indemnified Party") and hold them harmless from, against and in respect of any and all Losses incurred or sustained by, or imposed upon any Seller Indemnified Party resulting from or related to, arising out of, or based upon: (i) any inaccuracy or breach of any representation or warranty of Buyer in this Agreement or in any instrument or instrument or certificate delivered by or on behalf of Seller pursuant to this Agreement; (ii) the non-fulfillment or breach of any agreement, covenant or obligation by Buyer made in this Agreement (including without limitation any Exhibit or Schedule hereto and any certificate or instrument delivered in connection herewith); or (iii) fraud or intentional misrepresentation of Buyer.

Section 7.04 Indemnification Procedures.

The Party making a claim under this ARTICLE 7 is referred to as the "Indemnified Party" and the Party against whom such claims are asserted under this ARTICLE 7 is referred to as the "Indemnifying Party".

(a) *Third-Party Claims*. If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a Party to this Agreement or a Representative of the foregoing (a "Third-Party Claim") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third-Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. Before the Indemnifying Party may assume the defense of any Third-Party Claim, it must acknowledge in a writing directed to the Indemnified Party its obligation to indemnify the Indemnified Party from any Losses that result from the Third-Party Claim. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to Section 7.04(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided, that if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third-Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third-Party Claim, the Indemnified Party may, subject to Section 7.04(b), pay, compromise, defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim. The Parties shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, including making available records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending Party, management employees of the non-defending Party as may be reasonably necessary for the preparation of the defense of such Third-Party Claim.

(b) *Settlement of Third-Party Claims*. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 7.04(b). If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all Liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third-Party Claim, the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 7.04(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) *Direct Claims*. Any Action by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (such Action not resulting from a Third-Party Claim, a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) calendar days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) calendar day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 7.05 Cooperation.

Upon a reasonable request made by the Indemnifying Party, each Indemnified Party seeking indemnification hereunder in respect of any Direct Claim, hereby agrees to consult with the Indemnifying Party and act reasonably to take actions reasonably requested by the Indemnifying Party in order to attempt to reduce the amount of Losses in respect of such Direct Claim. Any costs or expenses associated with taking such actions shall be included as Losses hereunder.

Section 7.06 Payments.

Subject to the terms and conditions herein, once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this ARTICLE 7 or otherwise pursuant to this Agreement, the Indemnifying Party shall satisfy its indemnification obligations within fifteen (15) Business Days of such agreement or adjudication.

Section 7.07 Certain Limitations.

The indemnification provided for in Section 7.02 and Section 7.03 shall be subject to the following limitations:

(a) The Seller shall not be liable to the Buyer Indemnified Parties for indemnification under Section 7.02(i) until the aggregate amount of all Losses in respect of indemnification under Section 7.02(i) exceeds $50,000 (the "Basket"), in which event Seller shall be liable for any amount of Losses in excess of the Basket.

(b) Buyer shall not be liable to the Seller Indemnified Parties for indemnification under Section 7.03(i) until the aggregate amount of all Losses in respect of indemnification under Section 7.03(i) exceeds the Basket, in which event Buyer shall be liable for any amount of Losses in excess of the Basket.

(c) The Parties acknowledge and agree that the maximum liability of Seller, on the one hand, and Buyer, on the other hand, for indemnification under Section 7.02(i) or Section 7.03(i), as applicable, shall be the sum of $370,000 (the " Cap"), and neither Seller, on the one hand, or Buyer, on the other hand, shall have any liability to the other for claims hereunder in excess of the Cap, provided that any liability for Losses incurred and arising from or related to a breach of the Fundamental Representations, or pursuant to Section 7.02(ii), Section 7.02(iii), Section 7.02(iv), Section 7.02(v), Section 7.03(ii) or Section 7.03(iii), shall not be subject to the Cap. The Cap shall be calculated without taking into account Losses due to breaches of the Fundamental Representations or other provisions of this Agreement not subject to the Cap.

(d) Seller shall not be liable under this ARTICLE 7 for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller if Buyer, Scott Kostelecky or Gene Rhoades had knowledge of such inaccuracy or breach prior to the Closing.

(e) All Liabilities and obligations of one Party to the other Party that may arise under ARTICLE 7, if any, will be satisfied by tender of cash, via wire transfer, pursuant to wire instructions provided to Buyer or to Seller, as the case may be.

Section 7.08 Tax Treatment of Indemnification Payments.

All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the consideration paid hereunder unless otherwise required by applicable Law.

Section 7.09 Exclusive Remedy.

Section 7.10

In the event that the Closing occurs, the indemnification provisions contained in this ARTICLE 7 shall be the sole and exclusive remedy of the Parties with respect to the Transactions for any and all breaches or alleged breaches of any representations, warranties, covenants or agreements of the Parties hereto or any other provision of this Agreement, except (i) with respect to any equitable remedy to which such Party may be entitled with respect to any claims or causes of action arising from the breach of any covenants or agreement of a Party that is to be performed subsequent to the Closing Date (including, but by no means limited to, specific performance), (ii) remedies provided in the other Transaction Documents; (iii) with respect to a Party, an actual and intentional fraud with respect to this Agreement and the Transactions.

## ARTICLE 8

MISCELLANEOUS

Section 8.01 Notices.

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

If to Buyer:

Talent Teams LLC
Attn: Scott Kostelecky
4000 Sandshell Drive
Fort Worth, TX 76137
Email: skostele@teamglobal.com

with a copy, which shall not constitute notice, to:

Decker Jones, P.C.
Attn: Charles B. Milliken
801 Cherry St. Unit #46
Burnett Plaza, Ste. 2000
Fort Worth, TX 76102
Email: cmilliken@deckerjones.com

If to Seller:

Rekor Systems, Inc.
Attn: Eyal Hen
7172 Columbia Gateway Drive, Suite 400
Columbia, MD 21046
E-mail: eyal@rekorsystems.com and cathy@rekorsystems.com

with a copy, which shall not constitute notice, to:

Crowell & Moring LLP
Attn: Lex Eley
1001 Pennsylvania Avenue NW
Washington, DC 20004-2595
Email: leley@crowell.com

or such other addresses as shall be furnished in writing by any Party in the manner for giving notices hereunder, and any such notice or communication shall be deemed to have been given: (i) upon receipt, if personally delivered or sent by electronic mail; (ii) on the day after dispatch, if sent by overnight courier; and (iii) three (3) days after mailing, if sent by registered or certified mail.

Section 8.02 Dispute Resolution.

(a) If there is any dispute or controversy relating to this Agreement or any of the Transactions (each, a " Dispute"), such Dispute shall be resolved in accordance with the applicable provisions of Section 7.04 and this ARTICLE 8.

Section 8.03 Governing Law.

This Agreement shall be governed by, enforced, and construed under and in accordance with the Laws of the State of Maryland, without giving effect to principles of conflicts of Law thereunder. The venue for all matters arising hereunder shall be exclusively in the Federal or State courts of the State of Maryland (the "Selected Courts"), and each of the Parties irrevocably consents and agrees that any legal or equitable Action arising under or in connection with this Agreement shall be brought exclusively in the Selected Courts. By execution and delivery of this Agreement, each Party hereto irrevocably submits to and accepts, with respect to any such Action, generally and unconditionally, the jurisdiction of the Selected Courts and choice of law above, and irrevocably waives any and all rights such Party may now or hereafter have to object to such jurisdiction or choice of law.

Section 8.04 Waiver of Jury Trial.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 8.04.

Section 8.05 Attorneys' Fees.

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

Section 8.06 Confidentiality.

Subject to Section 8.07, each of the Parties shall hold, and shall cause its Representatives to hold, in confidence all non-public documents and information furnished to it by or on behalf of any other Party in connection with the Transactions until the Closing Date, at which time the obligations of the Parties under this Section 8.06 shall terminate only in respect of that portion of such confidential information exclusively relating to TeamGlobal and its business.

Section 8.07 Public Announcements and Filings.

Other than as set forth in Section 6.01, unless required by applicable Law or regulatory authority, none of the Parties will issue any report, statement or press release to the general public, trade or trade press, or to any third party (other than its advisors and Representatives in connection with Transactions) or file any document, relating to this Agreement and Transactions, except as may be mutually agreed by the Parties. Copies of any such filings, public announcements or disclosures, including any announcements or disclosures mandated by Law or regulatory authorities, shall be delivered to each Party prior to the release thereof.

Section 8.08 Schedules; Knowledge.

Buyer and, after Closing, TeamGlobal are presumed to have full knowledge of all information set forth in the Seller Disclosure Schedules.

Section 8.09 Third-Party Beneficiaries.

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

Section 8.10 Expenses.

Other than as specifically set forth herein, whether or not the Transactions are consummated, Buyer, on the one hand, and Seller and TeamGlobal, on the other hand, will each bear their own respective expenses incurred prior to Closing, without limitation the fees and expenses of their legal, accounting and financial advisors, incurred in connection with the Transactions.

Section 8.11 Entire Agreement.

This Agreement and the other Transaction Documents represent the entire agreement between the Parties relating to the subject matter thereof and supersede all prior agreements, understandings and negotiations, written or oral, with respect to such subject matter. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the greatest extent possible.

Section 8.12 Amendment or Waiver.

Other than as specifically set forth herein, every right and remedy provided herein shall be cumulative with every other right and remedy, whether conferred herein, at Law, or in equity, and may be enforced concurrently herewith, and no waiver by any Party of the performance of any obligation by the other shall be construed as a waiver of the same or any other default then, theretofore, or thereafter occurring or existing. This Agreement may by amended only by a writing signed by all Parties hereto.

Section 8.13 Commercially Reasonable Efforts.

Subject to the terms and conditions herein provided, each Party shall use its commercially reasonable efforts to perform or fulfill all conditions and obligations to be performed or fulfilled by it under this Agreement so that Transactions shall be consummated as soon as practicable. Each Party also agrees that it shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws and regulations to consummate and make effective this Agreement and the Transactions. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances as may be reasonably required to carry out the provisions hereof and give effect to the Transactions.

Section 8.14 Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of the other Parties. No attempted transfer or assignment in violation of this Section 8.14 shall be valid, enforceable or binding.

Section 8.15 Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall be but a single instrument. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

*[Signature Pages Follow]*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Closing Date.

Talent Teams LLC

By:_/s/_ Scott Kostelecky _____
Name: Scott Kostelecky
Title: Member

Talent Teams LLC

By:_/s/_ Gene Rhoades _____
Name: Gene Rhoades
Title: Member

Rekor Systems, Inc.

By:_/s/_ Robert Berman_____
Name: Robert Berman
Title: Chief Executive Officer

Global Technical Services, Inc.

By:_/s/_ Scott Kostelecky_____
Name: Scott Kostelecky
Title: President

[Signature Page to TeamGlobal – Talent Teams Stock Purchase Agreement]

*Execution Version*

**SELLER PROMISSORY NOTE**

**NEITHER THIS PROMISSORY NOTE NOR THE SECURITIES WHICH MAY BE DELIVERED IN SATISFACTION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO SHALL BE EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) SUCH DISPOSITION IS MADE IN ACCORDANCE WITH EXEMPTIONS UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.**

$1,700,000.00 June 29, 2020

For value received, Global Technical Services, Inc., a Texas corporation (the "**Buyer**"), promises to pay to Rekor Systems, Inc., a Delaware corporation, or its assigns (the "**Holder**") the principal sum of $1,700,000.00 together with accrued and unpaid interest thereon, each due and payable on the date and in the manner set forth below. This promissory note is being delivered by Buyer to Holder as partial payment of the purchase price owing to Holder by Buyer pursuant to the Stock Purchase Agreement (the "**Stock Purchase Agreement)** dated the date hereof by and among Buyer, Holder and Talent Teams LLC ("**Talent Teams**"). Capitalized terms used but not defined herein, shall have the respective meanings given to them in the Stock Purchase Agreement.

**1. Repayment of Principal and Payment of Interest**. All payments of interest and principal shall be in lawful money of the United States of America. All payments shall be applied first to costs and expenses payable by the Buyer under Section 9 below, second, to accrued interest, and thereafter to principal. Principal and interest as calculated in Section 2 below on the outstanding principal balances shall be due and payable as follows: (i) for the period from July 1, 2020 through December 31, 2020, payments of interest only will be due on the last day of each calendar month, with the first interest-only payment due and payable on July 31, 2020; and (ii) for the period from January 1, 2021 until December 31, 2025, monthly payments of principal and interest in the aggregate amounts as shown in Schedule A shall be made on the last day of each calendar month with the first principal and interest payment due and payable on January 31, 2021, and continuing thereafter through and including the Maturity Date, provided however that if any payment date falls on a day which is not a Business Day, the payment shall become payable and due on the first Business Day after such payment date, and interest shall be payable with respect to such extension. "**Business Day**" means any day other than a Saturday or Sunday or a date on which commercial banks in the State of Maryland are authorized to be closed for the general transaction of business. The entire remaining outstanding principal amount of this Seller Promissory Note (together with all its amendments, renewals, extensions, and changes in its form, this "**Note**"), *plus* any accrued and unpaid interest and expenses provided for hereunder shall be due and payable on December 31, 2025 (the "**Maturity Date**"). Schedule A provides the payment schedule for the term of the Note.

**2. Interest Rate**. The Buyer promises to pay simple interest on the outstanding principal amount hereof from the date hereof until payment in full, which interest shall be payable at the rate of four (4%) percent per annum or the maximum rate permissible by law, whichever is less. Interest shall be calculated on the basis of a 360-day year with twelve (12) thirty-day (30) months.

**3. Security Interest**. Buyer's obligations hereunder are secured pursuant to the terms of the Pledge and Security Agreement dated the date hereof made by Talent Teams in favor of Holder (the "**Pledge and Security Agreement**") pursuant to which Talent Teams has granted to Holder a first priority security interest the shares of TeamGlobal and the other collateral described therein (collectively, the "**Collateral**").

**4. Representations and Warranties of Buyer**. Buyer hereby represents and warrants to Holder as of the date hereof as follows:

(a) Binding Agreement. The Note constitutes and will constitute, when issued and delivered, valid and binding obligations of Buyer, enforceable in accordance with its respective terms.

(b) Organization, Power, Authorization. Buyer is a corporation duly organized, validly existing, and in good standing under the Laws fo the State of Texas. Buyer has the requisite power and authority to execute, deliver and perform this Note and to consummate the transactions contemplated thereby.

(c) Non-Contravention. Neither the execution and the delivery of this Note, nor the consummation of the transactions contemplated hereby will (a) violate any injunction, order, decree, ruling or charge or, any restriction of any government, governmental agency, or court to which either Buyer is subject, or (b) conflict with, result in a material breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, or cancel, any material agreement, contract, lease, license, instrument, or other agreement to which either Buyer is a party or by which it is bound or to which any of its assets are subject; or (c) violate any provision of the TeamGlobal Charter Documents.

(d) Collateral. Buyer has good title to, have rights in, and have the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all liens. The security interests and Liens granted to Holder under this Note to which Buyer is a party constitute valid and perfected first priority liens and security interests in and upon the Collateral to which Buyer now has or hereafter acquires rights.

**5. Covenants**.

(a) Encumbrances. Buyer shall not create, incur, allow, or suffer any Lien on any Collateral, convey or permit any Collateral not to be subject to the first priority security interest granted herein.

(b) Reports. Buyer shall provide Holder all quarterly and annual financials of Buyer within 45 days of the end of each calendar quarter and calendar year, respectively.

(c) Further Assurances. Buyer shall execute any further instruments and take further action as Holder reasonably requests to perfect or continue Holder's security interest in the Collateral or to otherwise affect the purposes of this Agreement.

**6. Representations and Warranties of Holder**.

Organization; Power; Authorization. Holder is a corporation, duly organized and in good standing under the laws of the State of Delaware. Holder has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

**7. Event of Default**. If there shall be any Event of Default hereunder, at the option and upon the declaration of the Holder and upon written notice to the Buyer (which election and notice shall not be required in the case of an Event of Default under Section 7(c) or 1(d), this Note shall accelerate and all principal and unpaid accrued interest hereon shall become due and payable. The occurrence of any one or more of the following shall constitute an "**Event of Default**":

(a) The Buyer fails to pay timely any of the principal amount, accrued interest or other amounts due under this Note and such failure continuing for ten (10) days after receipt of written notice by Holder, as such grace period may be thereafter extended by multiples of ten (10) days upon Holder's written approval;

(b) Buyer breaches any representation, warranty or covenant set forth in this Note, the Pledge and Security Agreement or the Stock Purchase Agreement if such material default(s) have not been cured within thirty (30) days of written notice from Holder to the Buyer of such default;

(c) Either Buyer files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or make any assignment for the benefit of creditors or take any action in furtherance of any of the foregoing;

(d) An involuntary petition is filed against either Buyer (unless such petition is dismissed or discharged within sixty (60) days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the either Buyer;

(e) One or more judgments for the payment of money in an amount, individually or in the aggregate, that could reasonably be expected to have a material adverse effect on Buyer's business or operations (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) are entered by a court of competent jurisdiction against either Buyer which judgment remains undischarged, unsatisfied, unvacated or unstayed for a period of twenty (20) days after such judgment becomes final and non-appealable;

(f) After the date hereof, Buyer grants any Person, other than Holder, any Lien or other encumbrance on the Collateral.

**8. Remedies**.

(a) Upon the occurrence of an Event of Default, unless all Events of Default have been waived by Holder, Holder may, at its option, but subject to Section 7, (i) by written notice to Buyer, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon, immediately due and payable regardless of any prior forbearance and (ii) exercise any and all rights and remedies available to it under this Note or the Pledge and Security Agreement, at law or in equity, including, without limitation, the right to collect from the Buyer all sums due under this Note. Upon the occurrence of an Event of Default under Sections 7(c) or 7(d), the entire unpaid principal balance of this Note, together with all accrued and unpaid interest thereon, will become immediately due and payable

(b) Holder's rights and remedies under this Note are cumulative and not alternative. No waiver by Holder of any right or remedy under this Note is effective unless in a writing signed by Holder. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by Holder will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (i) no claim or right of Holder arising out of this Note can be discharged by Holder, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing signed by Holder; (ii) no waiver that may be given by Holder will be applicable except in the specific instance for which it is given; and (iii) no notice to or demand on the Buyer will be deemed to be a waiver of any obligation of the Buyer or of the right of Holder to take further action without notice or demand as provided in this Note.

**9. Expenses**. Upon an Event of Default, the Buyer shall pay all reasonable costs and expenses incurred by Holder in enforcing its rights under this Note, including without limitation, reasonable attorneys' fees and court costs incurred by the Holder in enforcing and collecting this Note.

**10. Prepayment**. The Buyer may at any time upon ten (10) days' prior written notice prepay this Note prior to the Maturity Date without the prior consent of the Holder.

**11. Waiver**. The Buyer hereby waives demand, notice, presentment, protest and notice of dishonor.

**12. Governing Law**. This Note shall be governed by and construed under the laws of the State of Maryland, as applied to agreements among Maryland residents, made and to be performed entirely within the State of Maryland, without giving effect to conflicts of laws principles.

**13. Modification; Waiver**. Any term of this Note may only be amended or waived with the written consent of the Buyer and the Holder.

**14. Assignment**. This Note may be transferred only upon its surrender to the Buyer for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form reasonably satisfactory to the Buyer. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and

interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Buyer's obligation to pay such interest and principal.

**15. Notices**. All notices, requests, claims, demands and other communications between the parties shall be in writing. All such notices shall be given either (a) by delivery in person, (b) by nationally recognized next day courier service, or (c) by electronic mail to the address of the party specified in this agreement or such other address as any party may specify in writing. All notices shall be effective upon the earlier of (i) the day of delivery in person or the day of delivery in the case of delivery by courier or (ii) on the date any electronic mailing.

| | |
|---|---|
| If to the Holder: | Rekor Systems, Inc.<br>7172 Columbia Gateway Drive<br>Attn: Eyal Hen<br>Suite 400<br>Columbia, MD 21046<br>Email : ehen@rekor.ai and cstanton@rekor.ai |
| with a copy to: | Crowell & Mooring<br>Attn: Lex Eley<br>1001 Pennsylvania Avenue NW<br>Washington, DC 20004-2595<br>Email: leley@crowell.com |
| If to the Buyer: | Global Technical Services, Inc.<br>Attn: Scott Kostelecky<br>4000 Sandshell Drive<br>Fort Worth, TX 76137<br>Email: skostele@teamglobal.com<br>Tel: 800.942.2376 |
| with a copy to: | Decker Jones, P.C.<br>Attn: Philip Spencer, Esq.<br>801 Cherry St. #46<br>Burnett Plaza, Ste. 2000<br>Fort Worth, TX 76102<br>Email: pspencer@deckerjones.com |

**16. Severability**. Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Note in such jurisdiction or affect the validity, legality or enforceability of any provision in any other jurisdiction, but this Note shall be reformed, construed and enforced in such jurisdiction as if such valid, illegal or unenforceable provision had never been contained herein.

**17. Counterparts**. This Note may be executed in counterparts (including by means of facsimile or electronic delivery), each of which shall be deemed to be an original but all of which together shall constitute one agreement. Fax and .pdf copies of signatures shall be treated as originals for all purposes.

**18. Representation by Counsel**. Each party agrees that it has had full opportunity to have this Note reviewed by its own counsel, and has not relied on the advice of the other party's counsel.

**19. Usury**. In no event shall the amount of interest due or payable hereunder exceed the maximum amount of interest allowed by applicable law. In the event the interest provided for hereunder exceeds the maximum lawful amount, then the interest rate provided herein shall be deemed modified to the maximum lawful amount, and in the event any payment is made which exceeds such maximum lawful amount, then the amount of such excess sum shall be credited as a payment of principal. It is the express intent hereof that Buyer shall not pay and Holder shall not receive, directly or indirectly, interest in excess of what may lawfully be paid by Buyer under applicable law.

[SIGNATURE PAGE FOLLOWS]

IN **WITNESS WHEREOF,** the Buyer have duly executed this Note as of the date first above written.

**GLOBAL TECHNICAL SERVICES, INC.:**

By: /s/ Scott Kostelecky

Name: Scott Kostelecky

Tital: President and FSO

*[Signature Page to Seller Promissory Note]*

**Exhibit 10.2**

***Execution Version***

**PLEDGE AND SECURITY AGREEMENT**

**THIS PLEDGE AND SECURITY AGREEMENT** (this "**Agreement**"), dated as of June 29, 2020, is made by Talent Teams LLC, a Texas limited liability company State of Texas (the "**Pledgor**") in favor of Rekor Systems, Inc., a Delaware corporation, (the " **Secured Party**").

**RECITALS**

A. Pledgor and Secured Party and the other parties thereto have entered into that certain Stock Purchase Agreement dated as of June 29, 2020 pursuant to which Secured Party has agreed to sell and Pledgor has agreed to buy from Secured Party, certain of the issued and outstanding shares in Global Technical Services, Inc. (the "**Company**") (the "**Acquired Shares**") of which Secured Party is the sole record and beneficial owner (the " **Transaction**");

B. Following the Transaction the Acquired Shares will be 100% of the issued and outstanding capital stock of the Company and Pledgor will be the sole stockholder of the Company, and therefore receive substantial benefits as a result of the Transaction.

C. As partial consideration for the Transaction, the Company has agreed to issue a promissory note to Secured Party (the " **Note**") which Note and the obligations of the Company evidenced thereby are to be secured by Pledgor's pledge of the Acquired Shares;

D. To induce the Secured Party to enter into the Transaction and execute all other documents related thereto, the Pledgor, by this Agreement, intends to collaterally pledge and assign to the Secured Party and grant the Secured Party a first priority security interest in the Pledgor shares in the Company as more specifically identified on Schedule I attached hereto (the "**Pledged Shares**"), and the products and proceeds thereof, both cash and non-cash, as security for (among other things) the due and timely observance and performance of all obligations of the Company under the Note.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor hereby agrees as follows:

**1. Definitions.**

(a) The following terms have the following meanings:

"**Acquired Shares**" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"**Agreement**" shall have the meaning ascribed to such term in the preamble to this Agreement.

"**Articles of Incorporation**" shall mean the Articles of Incorporation of the Company as in effect on the date hereof.

"**Collateral**" shall have the meaning ascribed to such term in Section 2(a).

"**Company**" shall have the meaning ascribed to such term in the preamble to this Agreement.

"**Event of Default**" shall have the meaning ascribed to such term in Section 9.

"**Management Rights**" shall have the meaning ascribed to such term in Section 2(a).

"**Note**" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"**Obligations**" shall mean and include all obligations: (i) of the Company to the Secured Party under the Note; and (ii) of the Pledgor to the Secured Party hereunder.

"**Person**" shall mean any individual, partnership, joint venture, corporation, trust, unincorporated organization, limited liability company, governmental authority and any other person or entity.

"**Pledged Shares**" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"**Secured Party**" shall have the meaning ascribed to such term in the preamble to this Agreement.

"**Transaction**" shall have the meaning ascribed to such term in the preamble to this Agreement.

"**UCC**" shall mean the Uniform Commercial Code as in effect in the State of Texas.

(b) Unless otherwise expressly specified herein, defined terms denoting the singular number shall, when in the plural form, denote the plural number of the matter or item to which such defined terms refer, and vice-versa.

(c) Words of the neuter gender mean and include correlative words of the masculine and feminine gender.

(d) The Section and Schedule headings used in this Agreement are for conveyance only and shall not affect the construction or meaning of any provisions of this Agreement.

(e) Unless otherwise specified, the words " **hereof**", "**herein**", "**hereunder**" and other similar words refer to this Agreement as a whole and not just to the Section, subsection or clause in which they are used.

(f) References in this Agreement to other instruments, agreements or documents shall be references to such instruments, agreements or documents as they may be amended, supplemented, restated or otherwise modified from time to time, in accordance with the terms of, and to the extent permitted by, such instruments, agreements or documents.

(g) All references to statutes and regulations shall include any amendments of same and any successor statutes and regulations.

(h) Unless otherwise specified, references to Sections, Recitals and Schedules are references to Sections of, and Recitals and Schedules to, this Agreement.

(i) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

**2. Grant of Security Interest, Etc.**

(a) As continuing collateral security for the full and punctual payment and performance of the Obligations (whether upon stated maturity, by acceleration or otherwise), Pledgor hereby irrevocably grants, pledges and assigns, subject to the terms of this Agreement, a continuing first priority lien on and security interest in, and, as a part of such grant, pledge and assignment, hereby assigns to the Secured Party, as collateral security all of the following (whether now owned or at any time hereafter acquired or now existing or hereafter existing or created): (x) all of the Pledged Shares including without limitation: (i) Pledgor's interest in all profits, distributions and other amounts to which Pledgor shall at any time be entitled to in respect of the Pledged Shares; (ii) all of Pledgor's rights (including control rights), powers and remedies, arising from its ownership of the Pledged Shares (the rights described in this subsection (ii) shall be referred to as "**Management Rights**"); and (y) to the extent not otherwise included, additions to, accessions to, substitutions of, products or proceeds of any or all of the foregoing collateral (collectively, (x) and (y) shall be referred to as the "**Collateral**").

(b) Pledgor hereby acknowledges and consents (i) in the event of a foreclosure of the Collateral pursuant to Section 10 to the transfer and assignment to Secured Party, its designee, nominee or transferee of the Collateral subject to this Pledge Agreement, and (ii) to the exercise on one or more occasions of any rights or remedies by the Secured Party pursuant to Section 10 or as allowed by law.

(c) **Rights of Secured Party.** The security created by this Agreement shall be held by Secured Party as continuing security for the payment and performance of the Obligations (whether existing on the date of this Agreement or arising from time to time thereafter). Each and every right, remedy, power and privilege conferred on or reserved to Secured Party hereunder shall be cumulative and in addition to, and not in limitation of, each and every right, remedy, power or privilege conferred on or reserved to Secured Party under the Note.

**3. Distributions.** So long as no Event of Default shall have occurred and be continuing, the Pledgor shall be entitled to receive and retain and otherwise deal with any and all distributions paid to Pledgor from proceeds in respect of the Collateral. Upon the occurrence and during the continuance of an Event of Default all rights of the Pledgor to receive the distributions and other payments which they would otherwise be authorized to receive and retain pursuant to this Section 3 shall cease, and all such rights shall thereupon become vested in the Secured Party which shall thereupon have the sole right to receive and hold as Collateral such distributions and other payments.

**4. Registration of Pledge.** The Pledgor hereby represents and warrants that as of the date hereof no Pledged Share in the Company is represented by any instrument or certificate, other than instruments or certificates that have been or are concurrently herewith being delivered to the Secured Party. In the event that at any time after the date hereof any Collateral shall be evidenced by an instrument or a certificate, the Pledgor shall or shall cause the Company to promptly deliver such instrument or certificate, duly endorsed or subscribed by the Pledgor or accompanied by appropriate instruments of transfer or assignment duly executed in blank by the Pledgor, to the Secured Party as additional Collateral.

**5. Representations of Pledgor.** Pledgor represents and warrants to the Secured Party that:

(a) Pledgor has the power and authority and the legal right to execute, deliver and perform this Agreement and to grant the lien on the Collateral contemplated hereby in favor of the Secured Party;

(b) the execution, delivery and performance of this Agreement by the Pledgor and the granting of the lien on the Collateral contemplated hereby has been duly authorized by all necessary action and does not and will not (i) violate any applicable law, rule or regulation or any provision relating to the Pledgor, (ii) conflict with, result in a breach of, or constitute a default under any provision of the Articles of Incorporation or any agreement, indenture, mortgage or other agreement or instrument to which the Pledgor are a party or by which they or any of their properties or assets is bound or subject or any license, judgment, order or decree of any governmental authority having jurisdiction over the Pledgor or its activities, properties or assets or (iii) result in or require the creation or imposition of any lien upon or with respect to any properties or assets now or hereafter owned by the Pledgor (other than the liens created hereunder);

(c) this Agreement has been duly executed and delivered by the Pledgor and constitutes a legal, valid and binding obligation of the Pledgor enforceable against the Pledgor in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforceability of creditors' rights generally and except as specific performance may be subject to equitable principles of general applicability;

(d) 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 is required (i) for the execution, delivery and performance of this Agreement by the Pledgor, (ii) for the pledge by the Pledgor of the Collateral to the Secured Party pursuant to this Agreement, or (iii) for the exercise by the Secured Party of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, except (1) such as have been obtained, made or taken and are in full force and effect, or (2) such as may be required under federal or state securities laws in connection with any sale of the Collateral;

(e) the Pledgor is the legal and beneficial owner of, and has good title to the Collateral free and clear of all liens or security interests other than the lien in favor of the Secured Party created by this Agreement;

(f) there are no outstanding options, warrants or other agreements with respect to the Collateral; and

(g) Pledgor's principal address and the principal place where the Pledgor's records concerning the Collateral are kept is located at its address set forth in Section 15. Pledgor will not change the location of its principal address without giving the Secured Party thirty (30) days prior written notice thereof.

**6. Covenants of Pledgor.** Pledgor further represents, warrants, and covenants to the Secured Party that:

(a) The Pledgor will not sell, transfer, convey or otherwise dispose of any interest in the Collateral.

(b) The Pledgor will not suffer or permit any lien to exist on or with respect to the Collateral except the lien created under this Pledge Agreement.

(c) The Pledgor hereby authorizes the Secured Party to file one or more financing or continuation statements and amendments thereto relating to all or part of the Collateral without the Pledgor's signature and Pledgor hereby ratifies its authorization with respect to any such filings made prior to the date hereof.

(d) The Pledgor shall not permit or consent to: (i) any issuance of capital stock or securities convertible into any capital stock of the Company; or (ii) any amendment of the Articles of Incorporation other than amendments or modifications that could not reasonably be expected to adversely affect the Collateral, Secured Party or the Pledgor's duty or ability to perform any of its Obligations under this Agreement, without the prior written consent of Secured Party.

**7. Management Rights of Pledgor.** So long as no Event of Default has occurred and is continuing and the Secured Party has not elected to exercise its remedies pursuant to Section 10, the Pledgor shall be entitled to exercise all Management Rights with respect to the Collateral. Upon the occurrence and during the continuance of an Event of Default, the Secured Party, upon delivering written notice to the Pledgor that it has elected to exercise its remedies pursuant to Section 10, shall have the exclusive right to exercise such Management Rights with respect to the Collateral.

**8. Additional Rights of the Secured Party.**

(a) If the Pledgor fails to perform any agreement contained herein, the Secured Party may (but shall not be obligated or required to) perform, or cause the performance, of such agreement.

(b) At any time upon the occurrence and during the continuance of an Event of Default, the Secured Party may (but shall not be obligated or required to):

i. cause the Collateral to be transferred to its name or to the name of its nominee or nominees and thereafter exercise as to such Collateral all of the rights, powers and remedies of an owner; and

ii. ask for, demand, collect, sue for, recover, compromise, receive and give acquittances and receipts for monies due or to become due under or in respect of any of the Collateral and hold the same as part of the Collateral, or apply the same to any of the Obligations in such manner as the Secured Party may direct in its sole discretion.

All amounts advanced by, or on behalf of, Secured Party in exercising its rights under this Section 8 (including, but not limited to, reasonable legal expenses and disbursements incurred in connection therewith), shall be payable by Pledgor to Secured Party on demand and shall be secured by the Collateral.

**9. Event of Default.** An "**Event of Default**" shall exist if Pledgor breaches any of its Obligations hereunder or any Event of Default, as defined in the Note, shall have occurred and be continuing beyond any applicable cure or notice period.

**10. Remedies.** Upon the occurrence and during the continuance of an Event of Default:

(a) The Secured Party shall have all the rights and remedies of a secured party under the UCC. In addition, the Secured Party shall have the right, without demand of performance or other demand, advertisement or notice of any kind, except as specified below, to or upon the Pledgor or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived to the extent permitted by law), to proceed forthwith to collect, receive, appropriate and realize upon the Collateral, or any part thereof and to proceed forthwith to sell, assign, give an option or options to purchase, contract to sell, or otherwise dispose of and deliver the Collateral or any part thereof in one or more parcels at public or private sale or sales at any stock exchange, broker's board or at any of the Secured Party's offices or elsewhere at such prices and on such terms and restrictions (including, without limitation, a requirement that any purchaser of all or any part of the Collateral shall be required to purchase any securities constituting the Collateral solely for investment and without any intention to make a distribution thereof) as the Secured Party may deem appropriate without any liability for any loss due to decrease in the market value of the Collateral during the period held. If any notification to the Pledgor of the intended disposition of the Collateral is required by law, such notification shall be deemed reasonable and properly given if given in the manner required by Section 15 at least ten (10) business days' prior to such disposition.

(b) All of the Secured Party's rights and remedies under this Agreement and under applicable law, including but not limited to the foregoing, shall be cumulative and not exclusive and shall be enforceable alternatively, successively or concurrently as the Secured Party may deem expedient.

(c) Upon any sale or other disposition, the Secured Party shall have the right to deliver, endorse, assign and transfer to the purchaser thereof the Collateral so sold or disposed of. Each purchaser at any such sale or other disposition, including the Secured Party, shall hold the Collateral free from any claim or right of whatever kind, including any equity or right of redemption.

**11. Disposition of Proceeds.** The proceeds of any sale or disposition of all or any part of the Collateral shall be applied (after payment of any amounts payable to the Secured Party pursuant to Section 13) by the Secured Party to the payment of the Obligations in such order as the Secured Party may elect. Any surplus thereafter remaining shall be paid to the Pledgor.

**12. Duration and Scope.** This Agreement shall remain in full force and effect until the Obligations have been repaid in full, and until such time, this Agreement shall:

(a) create a continuing security interest in the Collateral;

(b) be binding upon the Pledgor and their permitted successors and assigns with respect to the Collateral or this Agreement; and

(c) inure to the benefit of the Secured Party and its successors, transferees and assigns.

**13. Expenses of the Secured Party.** All reasonable expenses (including, without limitation, reasonable attorneys' fees and disbursements) actually incurred by the Secured Party in connection with the failure by the Pledgor to perform or observe any provision of this Agreement, the exercise or enforcement of any rights of the Secured Party under this Agreement and the custody or preservation of any of the Collateral and any actual or attempted sale or exchange of, or any enforcement, collection, compromise or settlement respecting, the Collateral, or any other action taken by the Secured Party hereunder, shall be deemed an obligation of Pledgor and shall be deemed an Obligation for all purposes of this Agreement and the Secured Party may apply the Collateral to payment of or reimbursement of itself for such liability.

**14. Survival and Continuation of Obligations.**

(a) No failure on the part of the Secured Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Secured Party of any right, power or remedy hereunder preclude any other or future exercise thereof, or the exercise of any other right, power or remedy. The representations, covenants and agreements of the Pledgor herein contained shall survive the date hereof.

(b) No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom nor release of all or any part of the Collateral shall in any event be effective unless the same shall be in writing, signed by the Secured Party and the Pledgor. Any such waiver or consent or release shall be effective only in the specific instance and for the specific purpose for which it is given.

(c) The Obligations of the Pledgor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by any amendment or modification or addition or supplement to the Note, any document or instrument delivered in connection therewith or any assignment or transfer thereof.

**15. Notices.** All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (or by telex, fax or similar electronic transfer confirmed in writing), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) when delivered by hand or (b) if given by mail, three business days after deposited in the mails by certified mail, return receipt requested, postage prepaid, or (c) if by telex, fax or similar electronic transfer, when sent and receipt has been confirmed, addressed as follows.

If to Pledgor:

Talent Teams LLC
Attn: Scott Kostelecky
4000 Sandshell Drive
Fort Worth, TX 76137
Email: skostele@teamglobal.com

with a copy, which shall not constitute notice, to:

Decker Jones, P.C.
Attn: Philip Spencer
801 Cherry St. #46
Burnett Plaza, Ste. 2000
Fort Worth, TX 76102
Email: pspencer@deckerjones.com

If to Secured Party:

Rekor Systems, Inc.
Attn: Eyal Hen
7172 Columbia Gateway Drive, Suite 400
Columbia, MD 21046
E-mail: eyal@rekorsystems.com and cathy@rekorsystems.com

with a copy, which shall not constitute notice, to:

Crowell & Moring LLP
Attn: Lex Eley
1001 Pennsylvania Avenue NW
Washington, DC 20004-2595
Email: leley@crowell.com

Any party may change its address for notices by notice to the other parties hereto in the manner provided in this subsection.

**16. Severability; Automatic Reformation.**

(a) All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but the balance of this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been included.

(b) If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by the law while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement.

**17. Further Assurances.** Pledgor shall, at the Pledgor's cost and expense, at any time and from time to time after the execution and delivery of this Agreement, promptly after request by Secured Party, execute, acknowledge and deliver such further conveyances, assignments, agreements and instruments of further assurances and other documents and do such further acts and things as Secured Party may reasonably request and are reasonably necessary in order to carry into effect the purposes of this Agreement or to further assure and confirm unto Secured Party its rights, powers and remedies hereunder. Pledgor hereby consents and agrees that Company or any registrar or transfer agent for any of the Collateral shall be entitled to accept the provisions hereof as conclusive evidence of the right of Secured Party to effect any transfer pursuant to this Agreement, notwithstanding any other notice or direction to the contrary heretofore or hereafter given by the Pledgor or any other Person to Company or to any such registrar or transfer agent.

**18. Governing Law; Entire Agreement.** This Agreement and the rights and Obligations of the Pledgor and the Secured Party under this Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of Maryland without regard to principles of conflict of laws thereunder. This Agreement, together with the Note, set forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, relating thereto.

**19. Waiver of Trial by Jury.** EACH OF PLEDGOR AND SECURED PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN AND THAT PLEDGOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 19 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF PLEDGOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

**20. Counterparts; Section Headings.**

(a) This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. Any signature delivered by a party by facsimile transmission, and any signature on a pdf. copy of a document delivered by electronic transmission, shall be deemed to be an original signature hereto.

(b) The section headings in this Agreement are for convenience of reference only and shall not affect the interpretation thereof.

**21. No Waiver; Cumulative Remedies.** No course of dealing between Pledgor and Secured Party, no failure on the part of Secured Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy by Secured Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and not exclusive of any other remedies provided by law to the extent not inconsistent with the provisions hereof, including without limitation the rights and remedies of a secured party under the Uniform Commercial Code.

*[Signature page follows]*

**IN WITNESS WHEREOF**, Pledgor has caused this Agreement to be executed as of the day and year first above written.

PLEDGOR:
TALENT TEAMS LLC

By: /s/ Scott Kostelecky
Name: Scott Kostelecky
Title: Member

By: /s/ Gene Rhoades
Name: Gene Rhoades
Title: Member

SECURED PARTY:
REKOR SYSTEMS, INC.

By: /s/ Robert Berman
Name: Robert Berman
Title: Chief Executive Officer

*[Signature Page to Pledge and Security Agreement]*

# EXCHANGE AGREEMENT

The undersigned noteholder (the "**Holder**"), enters into this Exchange Agreement (this "**Agreement**") with Rekor Systems, Inc., a Delaware corporation (formerly Novume Solutions, Inc.) (the "**Company**"), on June 30, 2020 whereby the Holder will exchange certain of the Company's senior secured promissory notes (the "**Notes**") issued to the Holder pursuant to that certain Note Purchase Agreement, dated as of March 12, 2019, among the Company, the Guarantors from time to time party thereto, U.S. Bank, National Association, and the Holder and the other Purchasers from time to time party thereto, for shares of common stock, par value $0.0001 per share, of the Company (the "**Common Stock**") as and in the manner described herein.

The Holder understands that the Exchange is being made without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), pursuant to Section 3(a)(9) thereof and without registration under the securities laws of any state of the United States or of any other jurisdiction.

On, and subject to, the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

## ARTICLE I
## TERMS OF EXCHANGE

**Section 1.1** **Agreement to Exchange**. On the basis of the representations, warranties, covenants and agreements contained in this Agreement, subject to Sections 1.3 and 3.8 and upon satisfaction (or waiver) of the conditions set forth herein, at the Closing, (a) the Holder shall exchange up to the aggregate principal amount of the Notes set forth on Exhibit A hereto (the "**Exchange Notes**") and all accrued and unpaid interest thereon as of the Closing Date (the "**Accrued Interest**") for a number of shares of Common Stock (the "**Exchange Stock**") equal to (1) the sum of the principal amount of the Exchange Notes accepted for exchange, *plus* the amount of Accrued Interest, *plus* the amount of applicable fees under the Note Purchase Agreement (including the Premium Percentage and a pro rated portion of the Exit Fee (as such terms are defined in the Note Purchase Agreement), *divided by* (2) $4.00 (the "**Exchange Rate**"). The exchange described in this Section 1.1 is referred to in this Agreement as the "**Exchange**."

**Section 1.2** **Exchange and Delivery**.

(a) Subject to Sections 1.3 and 3.8, upon the satisfaction (or waiver) of the conditions set forth in Article IV hereof, the closing (the "**Closing**") of the Exchange pursuant to Section 1.2(b) hereof shall take place remotely via the exchange of documents and signatures (such date, the "**Closing Date**"), unless otherwise agreed in writing by the Holder and the Company. As promptly as practicable following the Closing Date, the Holder will surrender to the Company the Exchange Notes in the manner contemplated by Section 1.2(b) below, and the Company will deliver to the Holder the Exchange Stock in the manner contemplated by Section 1.2(c) below. For these purposes, "**Business Day**" means any day other than a Saturday, a Sunday or a day on

which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

(b) Effective as of the Closing, the Holder will surrender to the Company all right, title and interest in the Exchange Notes. Subject to the consummation of the Closing, the Holder and the Company agree to do and perform, or cause to be done and performed, all such further acts and things, and execute and deliver all such other agreements, certificates, instruments and documents, as the other may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(c) As promptly as practicable following the Closing Date, the Company will (i) cause Issuer Direct, as transfer agent for the Company (the "**Transfer Agent**"), to deliver electronically on behalf of the Holder the Exchange Stock with no restrictive legends associated therewith, to the DTC participant identified in Exhibit B hereto, in book-entry form through the DTC's DWAC system, (ii) cause the cancellation of the principal amount of the Exchange Notes, and (iv) if the Holder has submitted less than all of its Notes for exchange, or less than all of its Exchange Notes are accepted for exchange due to the limitations described in Section 1.3 or Section 3.8, cause the issuance of a new Note to the Holder in respect of the Holder's Note not included in the Exchange.

(d) In the event of changes in the outstanding Common Stock prior to the Closing by reason of stock dividends, split-ups, recapitalizations, reclassifications, combinations or exchanges of shares, separations, reorganizations, liquidations, or the like, the Exchange Rate shall be correspondingly adjusted.

(e) The Company shall not issue any fraction of a share of Common Stock upon the Exchange. If the calculation of the number of shares of Exchange Stock pursuant to Section 1.1 would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share.

(f) The Company shall pay any and all transfer, stamp, issuance and similar taxes that may be payable with respect to the issuance and delivery of Common Stock upon the Exchange.

**Section 1.3 Limitations on Exchange.** On the day prior to the Closing Date, the Company shall certify to the Holder in writing the number of shares of Common Stock outstanding as of the close of business on such date, and the Holder shall have indicated, in Exhibit A hereto, the number of shares of Common Stock beneficially owned (as defined in Section 13 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules promulgated thereunder) by the Holder and its affiliates before the Closing. The Company and the Holder shall cooperate in good faith to ensure that the issuance of the Exchange Stock will not result in the Holder beneficially owning more than the percentage identified on such Holder's signature page to this Agreement (the "**Holder Limit**") of the shares of Common Stock to be outstanding after giving effect to the Closing and to the closing of the other exchange agreements by other holders relating to the Notes (the "**Other Holders**") dated on or about the date hereof (the "**Other Exchange Agreements**"). Any issuance of Common Stock on the Closing Date in excess of the Holder Limit shall be void *ab initio*, and the Company

and the Holder shall cooperate in good faith to take such actions to ensure that the aggregate number of shares of Exchange Stock contemplated by this Agreement remains unchanged, but that the Holder Limit is not at any time exceeded.

## ARTICLE II
## COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE HOLDER

The Holder hereby makes the following representations and warranties, each of which is true and correct as of the date hereof and each of which shall be true and correct on the Closing Date (except where a particular representation is made as of a specific date), to the Company.

**Section 2.1 Power and Authorization.** The Holder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. The Holder has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the Exchange contemplated hereby.

**Section 2.2 Valid and Enforceable Agreement; No Violations.** This Agreement has been duly executed and delivered by the Holder and constitutes a legal, valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, except that such enforcement may be subject to (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally, and (b) general principles of equity, whether such enforceability is considered in a proceeding at law or in equity (the "**Enforceability Exceptions**"). This Agreement and consummation of the Exchange will not violate, conflict with or result in a breach of or default under (i) the Holder's organizational documents, (ii) any agreement or instrument to which the Holder is a party or by which the Holder or any of its assets are bound, or (iii) any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to the Holder, except for such violations, conflicts or breaches under clauses (ii) and (iii) above that would not, individually or in the aggregate, adversely and materially affect its performance of the obligations under this Agreement or the consummation of the transactions contemplated thereby.

**Section 2.3 Title to the Exchange Notes.** The Holder is the sole beneficial owner of the Exchange Notes set forth opposite its name on Exhibit A hereto and, on the Closing Date, will be the sole legal and beneficial owner of the Exchange Notes set forth opposite its name on Exhibit A hereto. The Holder has good, valid and marketable title to the Exchange Notes set forth opposite its name on Exhibit A hereto, free and clear of any liens created by the Holder. The Holder has not, in whole or in part, except as described in the immediately preceding sentence, (a) assigned, transferred, hypothecated, pledged, exchanged or otherwise disposed of any of the Exchange Notes or any of its rights, title to or interest in its Exchange Notes (other than to the Company pursuant hereto), or (b) given any person or entity any transfer order, power of attorney or other authority of any nature whatsoever with respect to its Exchange Notes. Upon the Holder's delivery of its Exchange Notes to the Company pursuant to the Exchange, such Exchange Notes shall be free and clear of all liens created by the Holder.

**Section 2.4 Qualified Institutional Buyer or Accredited Investor.** The Holder is either (a) a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act or (b) an "accredited investor" within the meaning of Rule 501 under the Securities Act.

**Section 2.5 No Affiliate Status; Holding Period.** The Holder is not, and has not been during the consecutive three-month period preceding the date hereof, a director, officer or "affiliate" within the meaning of Rule 144 promulgated under the Securities Act (an "**Affiliate**") of the Company. A minimum of one year has elapsed from the date of the Holder's acquisition of the Exchange Notes from the Company or from an Affiliate of the Company, upon which date the Holder gave full consideration therefor.

**Section 2.6 Adequate Information; No Reliance.** The Holder acknowledges and agrees that (a) the Holder has been furnished with all materials it considers relevant to making an investment decision to enter into the Exchange and to consummate the other transactions contemplated hereby and has had the opportunity to review the Company's filings and submissions with the Securities and Exchange Commission (the "**SEC**"), including, without limitation, all information filed or furnished pursuant to the Exchange Act, (b) the Holder has had a full opportunity to ask questions of and receive answers from the officers of the Company concerning the Company, its business, operations, financial performance, financial condition and prospects, and the terms and conditions of the Exchange, and (c) the Holder is a sophisticated and experienced investor and is capable of evaluating, to its satisfaction, the accounting, tax, financial, legal and other risks associated with the Exchange, and has had the opportunity to consult with its accounting, tax, financial, legal and other advisors to be able to evaluate the risks involved in the Exchange and to make an informed investment decision with respect to such Exchange, and that such Holder is capable of sustaining any loss resulting therefrom without material injury.

## ARTICLE III
## COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby makes the following representations and warranties, each of which is true and correct as of the date hereof and each of which shall be true and correct on the Closing Date (except where a particular representation is made as of a specific date), to the Holder.

**Section 3.1 Power and Authorization.** The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the power, authority and capacity to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Exchange contemplated hereby. No consent, approval, order or authorization of, or material registration, declaration or filing with any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries (as defined herein) (each, a "**Governmental Entity**") is required on the part of the Company in connection with the execution, delivery and performance by it of this Agreement, and the consummation by the Company of the Exchange.

**Section 3.2 Valid and Enforceable Agreement; No Violations.** This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding

obligation of the Company, enforceable against it in accordance with its terms, except that such enforcement may be subject to the Enforceability Exceptions. This Agreement and consummation of the Exchange will not violate, conflict with, result in a breach or default of or under (a) the Company's charter, bylaws or other organizational documents, (b) any material agreement or instrument to which the Company is a party or by which the Company or any of its assets are bound, or (c) any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to the Company.

**Section 3.3 Exemption from Registration.** Assuming the accuracy of the representations and warranties of the Holder, (a) the issuance of the Exchange Stock to the Holder in connection with the Exchange pursuant to this Agreement will be exempt from the registration requirements of the Securities Act and (b) the Exchange Stock to be issued to the Holder (i) will be, upon issuance, free of any restrictions on resale by such Holder and will not constitute "restricted securities" pursuant to Rule 144 promulgated under the Securities Act, (ii) will be issued in compliance with all applicable state and federal laws, and (iii) will be issued to the Holder without any transfer restrictions and will be issued through the facilities of DTC.

**Section 3.4 Capitalization; Common Stock.**

(a) The issued and outstanding shares of capital stock of the Company have been validly issued, are fully paid and non-assessable and are not subject to any preemptive rights, rights of first refusal or similar rights, except for such rights disclosed in periodic reports of the Company filed with Securities and Exchange Commission pursuant to the Exchange Act (the "**Periodic Reports**"). The authorized capital stock of the Company consists of 100,000,000 shares of Common Stock and 2,000,000 shares of Preferred Stock, $0.0001 par value per share ("**Preferred Stock**"). As of June 24, 2020, 22,914,655 shares of Common Stock were issued and outstanding, 502,327 shares of Series A Preferred Stock were issued and outstanding and 240,861 of Series B Preferred Stock were issued and outstanding. Except as disclosed in the Periodic Reports, the Company does not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or exchangeable for, or any contracts or commitments to issue or sell, any shares of capital stock or other securities of the Company. Between the date hereof and the Closing, without the Holder's prior written consent, the Company will not engage in, agree to or consummate any transaction that would result in an adjustment to the Exchange Rate.

(b) The Exchange Stock has been duly authorized and, upon delivery in the exchange for the Exchange Notes in accordance with the terms of this Agreement, such Exchange Stock will be validly issued, fully paid and non-assessable. The Exchange Stock is not subject to any preemptive, participation, rights of first refusal or other similar rights. Upon delivery, the Exchange Stock shall be free and clear of all liens, other than any liens created by the Holder.

**Section 3.5 Nasdaq.** The Common Stock is listed on the Nasdaq Stock Market. No shareholder approval is required pursuant to the rules of the Nasdaq Stock Market in connection with the execution of this Agreement or the issuance of the Exchange Stock in accordance with the terms of this Agreement.

**Section 3.6** **Disclosure.** On the Closing Date, the Company shall issue a publicly available press release or file with the SEC a Current Report on Form 8-K disclosing all material terms of the Exchange, the NPA Amendment and the Global Sale (as defined in the Partial Release and Third Amendment to Note Purchase Agreement, by and among the Company, the Purchasers from time to time party thereto and the Agent, in such form as previously provided by the Company to the Holder (the "**NPA Amendment**")), including the subject matter thereof (to the extent not previously publicly disclosed) as well as any other material non-public information disclosed by the Company or its representatives to the Holder or its respective representatives (to the extent not previously publicly disclosed). Notwithstanding the foregoing or any other agreement between the Company and the Holder to the contrary, after June 30, 2020 (or such later date as may be agreed in writing by the Company and Cedarview Capital Management, LP, the "**Outside Date**"), the Holder shall be under no contractual obligation to the Company to maintain the confidentiality of, nor to refrain from using, any information previously provided to it by the Company. The Company understands and confirms that the Holder will rely on the foregoing representation in effecting the transactions contemplated by this Agreement.

**Section 3.7** **No Financial Advisor.** No broker, investment banker, financial advisor or other firm or person is entitled to any broker, finder, financial advisor or other similar fee or any other commission, similar fee or remuneration, or the reimbursement of expenses in connection therewith, either directly or indirectly, in connection with the Exchange or any other transactions contemplated by this Agreement.

**Section 3.8** **Exchange Limit.** The aggregate number of shares of Exchange Stock issued in exchange for Notes under this Agreement and all Other Exchange Agreements shall not exceed 19.99% of the shares of Common Stock outstanding as of the date hereof, as calculated under the rules of the Nasdaq Stock Market (the "**Maximum Exchange Amount**"). In the event that the aggregate amount of Notes submitted to the Company to be exchanged under this Agreement and all Other Exchange Agreements would result in the Company issuing a number of shares of Common Stock in excess of the Maximum Exchange Amount, the Notes submitted for exchange by any Holder shall be subject to pro rata cutback based on the principal amount of Notes so submitted by such Holder relative to the principal amount of Notes so submitted by all Holders under this Agreement and all Other Exchange Agreements. Any cutback pursuant to this Section 3.8 shall be applied to the principal amount of the applicable Exchange Notes, such that all accrued and unpaid interest shall be included in the Exchange rather than be subject to the cutback.

## ARTICLE IV
## CONDITIONS TO OBLIGATIONS OF THE HOLDER AND THE COMPANY

**Section 4.1** **Holder Conditions**. The obligations of the Holder to deliver (or cause to be delivered) the Exchange Notes to the Company are subject to the satisfaction on or prior to the Closing Date of the following conditions precedent:

(a) the representations and warranties of the Company contained in Section 3 hereof shall be true and correct as of the Closing Date in all material respects;

(b) the Company shall have performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date;

(c) the Company shall have requested and caused Crowell & Moring LLP, counsel for the Company, to have furnished to the Transfer Agent its unqualified opinion, dated the Closing Date and providing for the Holder's reliance thereon, that the shares of Exchange Stock (i) have been duly authorized and upon issuance will be validly issued, fully paid and non-assessable and (ii) are exempt from registration under the Securities Act pursuant to Section 3(a)(9) thereof and may be issued to the Holder without any restrictive legend applied thereto;

(d) the shares of Exchange Stock shall have been approved by the Nasdaq Stock Market for listing on the Nasdaq Capital Market, subject to official notice of issuance;

(d) the Global Sale shall have been consummated; and

(e) the Company shall have entered into the NPA Amendment with all Purchasers (as defined in the NPA Amendment) signatory thereto.

**Section 4.2 Company Conditions**. The obligations of the Company to deliver (or cause to be delivered) the shares of Exchange Stock to the Holder are subject to the satisfaction on or prior to the Closing Date of the following conditions precedent:

(a) the representations and warranties of the Holder contained in Section 2 hereof shall be true and correct as of the Closing Date in all material respects;

(b) the Holder shall have performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date; and

(c) the holders of at least 65% of the aggregate principal amount of Notes outstanding as of the date hereof shall have entered into this Agreement and the Other Exchange Agreements.

## ARTICLE V
## MISCELLANEOUS

**Section 5.1 Entire Agreement.** This Agreement and any documents and agreements executed in connection with the Exchange embody the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous oral or written agreements, representations, warranties, contracts, correspondence, conversations, memoranda and understandings between or among the parties or any of their agents, representatives or affiliates relative to such subject matter, including, without limitation, any term sheets, emails or draft documents.

**Section 5.2 Construction.** References in the singular shall include the plural, and vice versa, unless the context otherwise requires. References in the masculine shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meanings of the provisions hereof. When a reference is made in this Agreement to "Sections,"

such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation." No rule of construction against the draftsperson shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. All references to "$" or "dollars" mean the lawful currency of the United States of America. Except as expressly stated in this Agreement, all references to any statute, rule or regulation are to the statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any section of any statute, rule or regulation include any successor to the section. Whenever the words "hereof", "hereby", "herein" and "hereunder" and words of like import are used in this Agreement, they shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

**Section 5.3 Costs and Expenses.** The Holder and the Company shall each pay their own respective costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement.

**Section 5.4 Governing Law.** This Agreement shall in all respects be construed in accordance with and governed by the substantive laws of the State of Delaware, without reference to its choice of law rules.

**Section 5.5 Submission to Jurisdiction.** Each of the Company and the Holder (a) agrees that any legal suit, action or proceeding arising out of or relating to this agreement or the transactions contemplated hereby shall be instituted exclusively in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York; (b) waives any objection that it may now or hereafter have to the venue of any such suit, action or proceeding; and (c) irrevocably consents to the jurisdiction of the aforesaid courts in any such suit, action or proceeding. Each of the Company and the Holder 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 law.

**Section 5.6 Venue.** Each of the Company and the Holder irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 5.5. Each of the Company and the Holder irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

**Section 5.7 Waiver of Jury Trial.** THE COMPANY AND THE HOLDER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

**Section 5.8 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the

same instrument. Any counterpart or other signature hereon delivered by facsimile or other means of electronic delivery shall be deemed for all purposes as constituting good and valid execution and delivery of this Agreement by such party.

**Section 5.9 Termination**. The Holder may terminate this Agreement by notice given to the Company if after the execution and delivery of this Agreement and prior to the Closing Date (a) the Closing Date has not occurred by June 30, 2020, except where such failure to close was due to the delay or other fault of the Holder in breach of this Agreement, (b) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities, (c) the Company commences a case or other proceeding, or any involuntary case or other proceeding is commenced against the Company, for bankruptcy under chapter 7 or chapter 11 of title 11 of the United States Code or otherwise seeking liquidation, reorganization or other relief with respect to the Company or its debts under any bankruptcy, insolvency or other similar law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent or acquiesce to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall take any action to authorize any of the foregoing, or (d) there shall have occurred any outbreak or escalation of hostilities involving the United States, or any material change in financial markets or any calamity or crisis that, in the Holder's good faith judgment, is material and adverse and that, singly or together with any other event specified in this clause (d), makes it, in the Holder's good faith judgment, impracticable or inadvisable in any material respect to proceed with the exchange of the Exchange Notes on the terms and in the manner contemplated in this Agreement.

[***Signature Page Follows.***]

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

**REKOR SYSTEMS, INC.**

By: _____
Name: _____
Title: _____

**[_____]**

By: _____
Name: _____
Title: _____

**EXHIBIT A**

**Holder Information**

| | | | |
|---|---|---|---|
| **Holder name:** | _____ | | |
| **Aggregate principal amount of Notes currently held:** | _____ | | |
| **Number of shares of Common Stock currently "beneficially owned"[1]:** | _____ | | |
| **Aggregate principal amount of Notes submitted for exchange (Exchange Notes):** | _____ | | |
| **Holder Limit (relating to Section 1.3 of the Exchange Agreement):** | 4.99% | 9.99% | **(circle/underline one)** |
| **Name of DTC participant to receive shares of Common Stock:** | _____ | | |
| **DTC participant number:** | _____ | | |

[1] "**Beneficial ownership**," under Section 13(d) of the Securities Exchange Act of 1934 and the rules and pronouncements of the SEC promulgated thereunder ("Applicable Law"), includes a wide range of direct and indirect rights and interests in securities, including direct and indirect forms of ownership. In the view of the SEC, you are deemed to beneficially own any securities over which you have, or share, "voting power" or "investment power." You may also be deemed the indirect beneficial owner of securities held in the name of your spouse, your minor children or any relative of yours or your spouse who shares your home. In addition, such beneficial ownership shall include the shares of Common Stock of the Company beneficial owned by any persons acting as a "group" (within the meaning of Applicable Law) with the Holder and its affiliates

**PARTIAL RELEASE AND THIRD AMENDMENT TO NOTE PURCHASE AGREEMENT**

This PARTIAL RELEASE AND THIRD AMENDMENT TO NOTE PURCHASE AGREEMENT, dated as of June 29, 2020 (this "Amendment"), which amends that certain Note Purchase Agreement, dated as of March 12, 2019 (as amended by that certain First Amendment to Note Purchase Agreement, dated as of March 26, 2020, and that certain Partial Release and Second Amendment to Note Purchase Agreement, dated as of April 2, 2020, and as may be further amended, restated, supplemented or otherwise modified from time to time, the "Note Purchase Agreement"), by and among Rekor Systems, Inc. (f/k/a Novume Solutions, Inc.) (the "Borrower"), the financial institutions or other entities from time to time party thereto (each as a "Purchaser") and U.S. Bank National Association, as paying agent and collateral agent (in such capacity, the "Agent").

**WHEREAS**, the Borrower has requested that the Purchasers exchange Notes for newly-issued common stock of the Borrower (the "Exchange") pursuant to those certain Exchange Agreements, dated as of June 30, 2020, by and among the Purchasers party thereto and the Borrower (collectively, the "Exchange Agreements");

**WHEREAS**, the Credit Parties have informed the Purchasers that certain of the Credit Parties intend to enter into that certain Stock Purchase Agreement (the "Global Stock Purchase Agreement"), dated as of June 29, 2020, by and among Talent Teams, LLC, the Borrower and Global Technical Services, Inc., a Texas corporation ("Global"), and the Borrower intends to sell 100% of the Capital Stock of Global (such capital stock, the "TeamGlobal Common Stock") to the purchaser thereunder (the "Global Sale");

**WHEREAS**, in connection with the Global Sale, the Credit Parties have requested that the Purchasers consent to the Global Sale and amend certain terms and conditions of the Note Purchase Agreement; and

**WHEREAS**, the Purchasers are willing to consent to the Global Sale and amend such terms and conditions of the Note Purchase Agreement on the terms and conditions set forth herein.

**NOW THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All terms used herein that are defined in the Note Purchase Agreement and not otherwise defined herein shall have the meanings assigned to them in the Note Purchase Agreement.

2. Consent and Partial Release.

(a) In accordance with the Note Purchase Agreement (as amended hereby), the Borrower requests that the Required Purchasers, on behalf of the Purchasers, consent to the Global Sale and expressly release the Agent's Lien on the TeamGlobal Common Stock, previously granted to the Agent as security for the Obligations. The Purchasers hereby consent to the consummation of the Global Sale on the terms set forth in the Global Stock Purchase Agreement. The Purchasers hereby (i) acknowledge and agree that upon the consummation and effectiveness of the Global Sale in accordance with the terms of the Global Stock Purchase Agreement, all of the Liens granted to the Agent, on behalf of the Secured Parties, on the TeamGlobal Common Stock are hereby released and (ii) authorize and direct the Agent to execute and deliver Uniform Commercial Code Financing Statement Amendment(s) to effectuate the release of all Liens granted to the Agent, on behalf of the Secured Parties, on the TeamGlobal Common Stock. By each Credit Party's acknowledgment hereto, such Credit Party hereby acknowledges and agrees that, except as

expressly provided herein, the release of the Liens in connection with the Global Sale will be limited solely to the TeamGlobal Common Stock and that all other Liens granted, given or otherwise made by any Borrower or any other Credit Party under the Note Purchase Agreement are and shall remain entirely unmodified by the release set forth above and shall continue in full force and effect.

(b) Upon consummation of the Global Sale, Global shall be released as a Credit Party under the Note Purchase Agreement, and any Liens granted to the Agent, on behalf of the Secured Parties, on any assets of Global shall be released. The Purchasers hereby authorize and direct the Agent to execute and deliver Uniform Commercial Code Financing Statement Amendment(s) to effectuate the release of Global and all Liens granted to the Agent, on behalf of the Secured Parties, on any assets of Global. The Borrower is authorized to file or cause to be filed a Uniform Commercial Code termination statement to effectuate the foregoing release upon its effectiveness, which release shall be reasonably acceptable to the Required Purchasers.

(c) The foregoing consent and release shall not become effective until all of the conditions set forth in Section 7 hereof have been satisfied or waived by the Required Purchasers and the Required Purchasers shall have received a duly executed copy of the Global Stock Purchase Agreement by each of the parties thereto, together with all exhibits thereto, and a duly executed copy of the "Note" to be issued pursuant to Section 2.01(b) of the Global Stock Purchase Agreement.

3. Waiver of Mandatory Prepayment. Pursuant to Section 12.5 of the Note Purchase Agreement, and subject to and in accordance with the terms and conditions set forth herein, including without limitation the conditions precedent set forth in Section 7 hereof, the Required Purchasers, on behalf of the Purchasers, hereby waive any mandatory prepayments arising out of the Global Sale that would otherwise be required to be paid pursuant to Section 2.3(d) of the Note Purchase Agreement.

4. Exit Fee. As part of the Exchange, the Borrower has agreed to include in the calculation of the Exchange Rate (as defined in the Exchange Agreement) an amount of the Exit Fee equal to the pro rata share of the full Exit Fee that would have been payable on each exchanged Note had such Note been paid in full rather than be exchanged. The Purchasers and the Borrower agree that as a result, the Exit Fee payable on any Notes not exchanged shall be reduced, pro rata based on the amount of Notes exchanged in the Exchange, to an amount equal to (i) $1,000,000, multiplied by (ii) a fraction, (a) the numerator of which is the outstanding principal balance of the Notes immediately after giving effect to the Exchange and (b) the denominator of which is the outstanding principal balance of the Notes immediately prior to the Exchange (the resulting amount, the "Modified Exit Fee Amount"). Section 2.4(e)(iii) of the Note Purchase Agreement shall be deemed to be amended by deleting "$1,000,000" and inserting the Modified Exit Fee Amount in lieu thereof immediately on the later of the Third Amendment Effective Date and the closing of the Exchange.

5. Amendments. Pursuant to Section 12.5 of the Note Purchase Agreement, and subject to and in accordance with the terms and conditions set forth herein, including without limitation the conditions precedent set forth in Section 7 hereof, the Note Purchase Agreement is hereby amended as follows:

(a) Annex A of the Note Purchase Agreement is hereby amended by deleting the definition of "Maturity Date" and inserting the following in lieu thereof:

> "Maturity Date" means the earlier of (a) December 31, 2021, or (b) such earlier date that the Notes become due and payable pursuant to Section 8.2.

(b) Annex A of the Note Purchase Agreement is hereby further amended by adding the following definitions thereto in the appropriate alphabetical order:

"Global Sale" shall have the meaning assigned to such term in the Third Amendment.

"Global Stock Purchase Agreement" means that certain Stock Purchase Agreement, dated as of June 29, 2020, by and among Talent Teams, LLC, the Borrower and Global Technical Services, Inc., a Texas corporation.

"Third Amendment" shall mean that certain Partial Release and Third Amendment to Note Purchase Agreement, dated as of the Third Amendment Effective Date, by and between the Borrower, the other Credit Parties party thereto and the Purchasers party thereto.

"Third Amendment Effective Date" shall mean June 29, 2020.

6. Representations and Warranties. To induce the Purchasers to enter into this Amendment, the Borrower and each other Credit Party hereby represents and warrants to each Purchaser that as of the date hereof, after giving effect to this Amendment:

(a) Representations and Warranties; No Event of Default. The representations and warranties herein, in Article 3 of the Note Purchase Agreement and in each other Financing Document, made by or on behalf of the Credit Parties to any Purchaser pursuant to the Note Purchase Agreement or any other Financing Document on or immediately prior to the Third Amendment Effective Date (as defined below) are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct on and as of such earlier date in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date), and no Default or Event of Default has occurred and is continuing as of the Third Amendment Effective Date (as defined below) or would result from this Amendment becoming effective in accordance with its terms.

(b) Authorization, Etc. The execution and delivery by each Credit Party of this Amendment and each other Financing Document to which it is or will be a party, and the performance by it of the Note Purchase Agreement, as amended hereby, (i) are within the power and authority of such Credit Party and have been duly authorized by all necessary action, (ii) do not and will not contravene (A) any of its Organizational Documents, (B) any applicable material applicable Law or (C) any material contract binding on or otherwise affecting it or any of its properties, (iii) do not and will not result in or require the creation of any Lien upon or with respect to any of its properties, (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties, except, in the case of clauses (ii)(B), (ii)(C) and (iv), to the extent where such contravention, default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect.

(c) Enforceability of Financing Documents. This Amendment is, and each other Financing Document to which any Credit Party is or will be a party, when delivered hereunder, will be, a

legal, valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally.

7. Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction in full, in a manner reasonably satisfactory to the Required Purchasers, of the following conditions precedent (the first date upon which all such conditions shall have been satisfied (or waived) being hereinafter referred to as the "Third Amendment Effective Date"):

(a) Payment of Fees, Etc. The Borrower shall have paid on or before the Third Amendment Effective Date all fees, costs, expenses and taxes then due and payable pursuant to Section 9.1 or 12.5 of the Note Purchase Agreement;

(b) Delivery of Documents. The Borrower and each of the Credit Parties shall have executed and delivered, or caused to be executed and delivered, and the Required Purchasers shall have received, in form and substance reasonably satisfactory to the Required Purchasers a duly executed copy of this Amendment by each Borrower, each other Credit Party, and all of the Purchasers;

(c) Exchange. All conditions precedent to the execution of the Exchange Agreements and the consummation of the Exchange shall have been satisfied (other than the effectiveness of this Amendment);

(d) Material Adverse Effect. As of the Third Amendment Effective Date, there shall not have occurred any change, effect, event, occurrence, state of facts, circumstances, condition or development that has had or would reasonably be expected to have a Material Adverse Effect; and

(e) Event of Default. No Default or Event of Default shall have occurred and be continuing after giving effect to this Amendment.

8. Continued Effectiveness of the Note Purchase Agreement and Other Financing Documents. Each Credit Party hereby (a) acknowledges and consents to this Amendment, and (b) confirms and agrees that the Note Purchase Agreement and each other Financing Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Third Amendment Effective Date, all references in any such Financing Document to "the Note Purchase Agreement", the "Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Note Purchase Agreement shall mean the Note Purchase Agreement as amended by this Amendment. This Amendment does not and shall not affect any of the obligations of the Credit Parties, other than as expressly provided herein, including, without limitation, the Credit Parties' obligations to repay the Notes in accordance with the terms of Note Purchase Agreement or the obligations of the Credit Parties under any Financing Document to which they are a party, all of which obligations shall remain in full force and effect. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Purchaser under the Note Purchase Agreement or any other Financing Document nor constitute a waiver of any provision of the Note Purchase Agreement or any other Financing Document.

9. No Novation. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Note Purchase Agreement or instruments securing the same, which shall remain in full force and effect, except as modified hereby.

10. Release. Each Credit Party hereby acknowledges and agrees that: (a) neither it nor any of its Subsidiaries has any claim or cause of action against any Purchaser (or any of the directors,

officers, employees, agents, attorneys or consultants of any of the foregoing) and (b) the Purchasers have heretofore properly performed and satisfied in a timely manner all of their obligations to the Credit Parties, and all of their Subsidiaries and Affiliates. Notwithstanding the foregoing, the Purchasers wish (and the Credit Parties agree) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of their rights, interests, security and/or remedies. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Credit Party (for itself and its Subsidiaries and Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge the Purchasers, together with their respective Affiliates, successor and assigns, and each of the directors, officers, employees, agents, attorneys and consultants of each of the foregoing (collectively, the "Released Parties"), from any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the Third Amendment Effective Date directly arising out of, connected with or related to this Amendment, the Note Purchase Agreement or any other Financing Document, or any act, event or transaction related or attendant thereto, or the agreements of any Purchaser contained therein, or the possession, use, operation or control of any of the assets of any Credit Party, or the purchase of any Notes or other advances or the management of such Notes or other advances.

11. Miscellaneous.

(a) This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart of this Amendment.

(b) Section and paragraph headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(c) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(d) Each Credit Party hereby acknowledges and agrees that this Amendment constitutes a "Financing Document" under the Note Purchase Agreement. Accordingly, it shall be an Event of Default under the Note Purchase Agreement if (i) any representation or warranty made by any Credit Party under or in connection with this Amendment shall have been incorrect in any respect when made or deemed made, or (ii) any Credit Party shall fail to perform or observe any term, covenant or agreement contained in this Amendment.

(e) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

**Borrower:**

**REKOR SYSTEMS, INC. (f/k/a Novume Solutions, Inc.)**

By: /s/ Robert Berman
Name: Robert Berman
Title: CEO

**Credit Parties:**

**REKOR RECOGNITION SYSTEMS, INC.**, a Delaware corporation

By: /s/ Robert Berman
Name: Robert Berman
Title: President

**KEYSTONE SOLUTIONS, LLC**, a Delaware limited liability company

By: /s/ Riaz Latifullah
Name: Riaz Latifullah
Title: Secretary

**GLOBAL TECHNICAL SERVICES, INC.**, a Texas corporation

By: /s/ Scott Kostelecky
Name: Scott Kostelecky
Title: President

**OPENALPR SOFTWARE SOLUTIONS, LLC**, a Delaware limited liability Company

By: /s/ Rod Hillman
Name: Rod Hillman
Title: President

**FIRESTORM HOLDINGS, LLC**, a Delaware limited liability company

By: /s/ Riaz Latifullah
Name: Riaz Latifullah
Title: Secretary

**FIRESTORM SOLUTIONS, LLC**, a Delaware limited liability company

By: /s/ Riaz Latifullah
Name: Riaz Latifullah
Title: Secretary

**FIRESTORM FRANCHISING, LLC**, a Georgia limited liability company

By: /s/ Riaz Latifullah
Name: Riaz Latifullah
Title: Secretary

**Purchasers**:

Cedarview Opportunities Master Fund, LP, as a Purchaser

By: /s/ Burton Weinstein
Name: Burton Weinstein
Title: Managing Partner

**Purchasers**:

DOOLEY FAMILY INTER VIVOS TRUST, as a Purchaser

By: /s/ Patrick J. Dooley
Name: Patrick J. Dooley
Title: Trustee

**Purchasers**:

Dooley Family Investments LLC, as a Purchaser

By: /s/ Margaret San Filippo
Name: Margaret San Filippo
Title: Manager

**Purchasers**:

Michael Kook, as a Purchaser

By: /s/ Michael Kook
Name: Michael Kook
Title: _____

**Purchasers**:

Bernie Mermelstein, as a Purchaser

By: /s/ Bernie Mermelstein
Name: Bernie Mermelstein
Title: _____

**Purchasers**:

Philip Baratz, as a Purchaser

By: /s/ Philip Baratz
Name: Philip Baratz
Title: _____

**Purchasers**:

Leah Rapaport, as a Purchaser

By: /s/ Leah Rapaport
Name: Leah Rapaport
Title: _____

**Purchasers**:

Debbie Neukrug-Berman, as a Purchaser

By: /s/ Debbie Neukrug-Berman
Name: Debbie Neukrug-Berman
Title: _____

**Purchasers**:

Robert Koppel, as a Purchaser

By: /s/ Robert Koppel
Name: Robert Koppel
Title: _____

**Purchasers**:

David Muschel, as a Purchaser

By: /s/ David Muschel
Name: David Muschel
Title: _____

**Purchasers**:

Jordan Sudberg, as a Purchaser

By: /s/ Jordan Sudberg
Name: Jordan Sudberg
Title: _____

**Purchasers**:

Burton Weinstein, as a Purchaser

By: /s/ Burton Weinstein
Name: Burton Weinstein
Title: _____

**Purchasers**:

David Weinstein, as a Purchaser

By: /s/ David Weinstein
Name: David Weinstein
Title: _____

**Purchasers**:

Eliyahu Kalatsky, as a Purchaser

By: /s/ Eliyahu Kalatsky
Name: Eliyahu Kalatsky
Title: _____

**Purchasers**:

K. David Isaacs, as a Purchaser

By: /s/ K. David Isaacs
Name: K. David Isaacs
Title: _____

**Purchasers**:

David Seltzer, as a Purchaser

By: /s/ David Seltzer
Name: David Seltzer
Title: _____

**Purchasers**:

Barry Sklar, as a Purchaser

By: /s/ Barry Sklar
Name: Barry Sklar
Title: _____

**Purchasers**:

Joshua Gottlieb, as a Purchaser

By: V Joshua Gottlieb
Name: -RVKXD*RWWOLHE
Title: _____

**Purchasers**:

Jonathan Leifer, as a Purchaser

By: /s/ Jonathan Leifer
Name: Jonathan Leifer
Title: _____

**Purchasers**:

HF Partners LLC, as a Purchaser

By: /s/ Andrew Herenstein
Name: Andrew Herenstein
Title: Managing Member

**Purchasers**:

Allen Wiesenfeld, as a Purchaser

By: /s/ Allen Wiesenfeld
Name: Allen Wiesenfeld
Title: _____

**Purchasers**:

Tyler E. Thors, as a Purchaser

By: /s/ Tyler E. Thors
Name: Tyler E. Thors
Title: _____

**Purchasers**:

Timothy J. Sullivan, as a Purchaser

By: /s/ Timothy J. Sullivan
Name: Timothy J. Sullivan
Title: _____

**Purchasers**:

Stephen Sander, as a Purchaser

By: /s/ Stephen Sander
Name: Stephen Sander
Title: _____

**Purchasers**:

Majek Investments LLC, as a Purchaser

By: /s/ Richard Stadtmauer
Name: Richard Stadtmauer
Title: Authorized Signatory

**Purchasers**:

Leifer 1999 Family Partnership, as a Purchaser

By: /s/ Jonathan Leifer
Name: Jonathan Leifer
Title: Member

**Purchasers**:

Rubin Brothers LLC, as a Purchaser

By: /s/ Howard Rubin
Name: Howard Rubin
Title: V.P.

**Purchasers**:

Glenn Reicin, as a Purchaser

By: /s/ Glenn Reicin
Name: Glenn Reicin
Title: _____

**Purchasers**:

Frohlich Financial Group LLC, as a Purchaser

By: /s/ Marc Frohlich
Name: Marc Frohlich
Title: Authorized Signatory

**Purchasers**:

MJS Family Trust, as a Purchaser

By: /s/ Marla Schachter
Name: Marla Schachter
Title: Trustee

**Purchasers**:

SM ISRAGROUP LLC, Inc., as a Purchaser

By: /s/ Shalom Maidenbaum
Name: Shalom Maidenbaum
Title: Managing Member

**Purchasers**:

Shtarktank LLC, as a Purchaser

By: /s/ Morris Berger
Name: Morris Berger
Title: Member

**Purchasers**:

A-6684 Holdings Corporation, as a Purchaser

By: /s/ Penina Kalatsky
Name: Penina Kalatsky
Title: Authorized signatory

**Purchasers**:

Retirement Plan For Employees of US Epperson Underwriting Company, as a Purchaser

By: /s/ Leonard Mezei
Name: Leonard Mezei
Title: _____

**Purchasers**:

CLOSEDRLPA, HOLDINGS INC. FNA OpenALPR Technology, Inc.,
as a Purchaser

By: /s/ Matthew Hill
Name: Matthew Hill
Title: President

**Purchasers**:

Hirt 2006 Family Trust, as a Purchaser

By: /s/ Lance Hirt
Name: Lance Hirt
Title: Trustee

**Purchasers**:

Golden Mountain Ventures Fund, LP, as a Purchaser by HSS, Partners, LLC, its general partner

By: /s/ Steven Margulies
Name: Steven Margulies
Title: Managing Partner

**Purchasers**:

Gold Family 2013 Trust, as a Purchaser

By: /s/ Ronald Gold
Name: Ronald Gold
Title: Executor

**Purchasers**:

Millennium Trust Company, as a Purchaser

By: /s/ Leon Wagner
Name: Leon Wagner
Title: Authorized Signatory

**Purchasers**:

Mercer Investors LLC, as a Purchaser

By: /s/ Ezra Birnbaum
Name: Ezra Birnbaum
Title: Managing Partner

**Rekor Systems Divests Final Non-Core Asset Subsidiary**

*Company completes approximately $4M sale of TeamGlobal*

COLUMBIA, MD – July XX, 2020 - Rekor Systems, Inc. (NASDAQ:REKR) ("Rekor") (the "Company"), a Maryland-based company providing real-time roadway intelligence through artificial intelligence ("AI") driven decisions, announced today that it has divested its TeamGlobal subsidiary, as a final step in its announced change in strategic direction. Last year the Company announced that it would take steps to divest itself of the assets in its Professional Services Segment as it moves ahead with its business strategy to focus on providing its vehicle recognition solutions for the public safety, smart cities and customer service markets. This marks the end of a year-long strategy to sell lower margin assets and focus on Rekor's core technology segment.

Rekor has sold TeamGlobal to current members of the TeamGlobal management team for approximately $4M in cash and secured notes. TeamGlobal is a premier national staffing firm that provides skilled technical professionals and maintenance and modification specialists to the aerospace and aviation maintenance industries.

The Company's Board of Directors announced last year that it was planning to sell subsidiaries that are no longer core to the strategic direction of the Company. On April 6, 2020, the Company announced the completion of the sale of its former subsidiary, AOC Key Solutions. The sale of TeamGlobal removes the last remaining asset from the Company's professional services segment.

Since announcing the change in its strategic direction, the Company has concentrated on its technology segment, working to increase sales and further develop its line of AI-driven products and services. Rekor's technology segment currently sells products and provides services used in more than 70 countries by customers that include some of the world's largest companies and governmental organizations. These products and services address complex issues in public safety, customer experience and smart cities using proprietary systems designed using AI techniques such as machine learning and deep learning data analysis.

Rekor's current suite of solutions is based on its industry-leading vehicle recognition software. In addition, the Company is developing further product and service expansions for the public safety, transportation, customer service and residential markets worldwide.

"This transaction marks the completion of a major milestone in our transition to a pure technology centric company. Our Board concluded last year that a rational monetization process for our professional services segment was likely to unlock value more quickly and with greater certainty for the benefit of the Company's shareholders," said Robert A. Berman, Rekor's President and CEO. "Given our current strategic direction, the Board determined that divestiture of our last non-core asset at this price was a logical step in maximizing shareholder value and fully focusing on our plan to expand growth in our core markets."

Rekor recently announced a new contract with the Department of Defense for additional licenses for its vehicle recognition software to use with DOD's existing cameras. It also announced a joint venture with Cygnet Infotech to automate parking enforcement. Rekor's stock is followed by B. Riley and was recently added to the Russell Microcap Index®.

To learn more about Rekor, please visit www.rekor.ai.

**About Rekor Systems, Inc.**

Rekor (Nasdaq: REKR) is a Maryland-based company providing real-time roadway intelligence through AI-driven decisions. Rekor bridges commercial and government sectors with actionable, real-time vehicle recognition data to enable faster, better informed decisions with greater outcomes. Rekor is transforming industries like Public Safety, Customer Experience, and Smart Cities in more than 70 countries across the globe with smarter, quicker, cost-competitive vehicle recognition solutions for security, revenue discovery and recovery, public safety, electronic toll collection, brand loyalty, parking operations, logistics, and traffic management. We use the power of artificial intelligence to analyze video streams and transform them into AI-driven decisions. Our machine learning software can turn most IP cameras into highly accurate and affordable vehicle recognition devices used to help protect lives, increase brand loyalty, and enhance operations and logistics, without the need to install expensive new infrastructure. We make what was once considered impossible, possible. To learn more please visit our website: http://www.rekor.ai

**Forward-Looking Statements**

This press release includes statements concerning Rekor Systems, Inc. and its future expectations, plans and prospects that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the impact of Rekor's core suite of AI-powered technology and the size of the market for global ALPR systems. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," by the negative of these terms or by other similar expressions. You are cautioned that such statements are subject to many risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual circumstances, events or results may differ materially from those projected in the forward-looking statements, particularly as a result of various risks and other factors identified in our filings with the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events, or otherwise.

**Media Contacts:**
Emily Burdeshaw
REQ For Rekor Systems
rekor@req.co

**Investor Contacts:**
Charles Degliomini
Rekor Systems, Inc.
ir@rekor.ai

**Rekor Systems Announces Agreement on Note Exchange**

*Company to improve liquidity and financial stability*

**Columbia, Md., July 1, 2020 --** Rekor Systems, Inc. (REKR) ("Rekor"), a Maryland-based company providing real-time roadway intelligence through AI-driven decisions, announced today that it has reached an agreement on a consensual balance-sheet restructuring with its lenders involving a debt-for-equity swap and other loan modifications. The transaction will have an immediate impact on the Rekor's balance sheet by extending the maturity and significantly reducing the amount of the Company's outstanding promissory notes.

In March 2019, investors loaned Rekor $20,000,000 in exchange for senior secured promissory notes (the "Notes") and warrants. A portion of the Notes were previously redeemed. In an agreement reached yesterday noteholders have agreed to a redemption of approximately 75% of the remaining principal balance of the Notes as of June 30, 2020. Upon closing of the transaction, approximately $14.6 million aggregate principal amount of the Notes, including accreted interest plus certain fees payable pursuant to the terms of the Notes, will be redeemed in exchange for common stock at a rate of $4 per share. The noteholders have also agreed that the maturity of the $4.9 million remaining balance of the Notes will be extended until December 31, 2021.

"The agreement to this refinancing is an important milestone for the Company and is a critical next step in our journey," said Robert A. Berman, CEO, Rekor. "The new capital structure will give us the flexibility to invest in continued growth, immediately expand our go-to-market strategy and generate greater free cash flow going forward at all points in our business cycle."

The holders of the remaining Notes have also agreed to modify certain covenants in the Notes, which will allow the Company to use proceeds from its recently completed corporate restructuring for working capital purposes. Rekor has completed the previously announced restructuring by selling its remaining non-core subsidiary.

"This note exchange will be a giant step forward. It will immediately improve the Company's liquidity and financial stability. The covenant modifications will allow proceeds from the sale of our non-core subsidiary to be immediately directed to the rapid expansion of our high margin technology segment." said Eyal Hen, CFO Rekor. "The Company will also realize positive stockholder's equity and achieve a significant reduction in interest cost, which will further contribute to shareholder value."

Closing of the Note exchange, and amendment of the remaining Notes, remains subject to satisfaction of customary closing conditions, including approval for the listing of the exchange shares by Nasdaq.

**About Rekor Systems, Inc.**

Rekor (Nasdaq:REKR) is a Maryland-based company providing real-time roadway intelligence through AI-driven decisions. Rekor bridges commercial and government sectors with actionable, real-time vehicle recognition data to enable informed decisions faster, and with greater outcomes. Rekor is transforming industries like Public Safety, Customer Experience, and Smart Cities in more than 70 countries across the globe with smarter, quicker, cost-competitive vehicle recognition solutions for security, revenue discovery and recovery, public safety, electronic toll collection, brand loyalty, parking operations, logistics, and traffic management. We use the power of artificial intelligence to analyze video streams and transform them into AI-driven decisions by our clients. Our machine learning software can turn most IP cameras into highly accurate and affordable vehicle recognition devices used to help protect lives, increase brand loyalty, and enhance operations and logistics, without the need to install expensive new infrastructure. We make what was once considered impossible, possible. To learn more please visit our website: https://rekor.ai.

**Forward-Looking Statements**

*This press release includes statements concerning Rekor Systems, Inc. and its future expectations, plans and prospects that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the closing of the Note exchange and the amendment of the remaining Notes. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," by the negative of these terms or by other similar expressions. You are cautioned that such statements are subject to many risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual circumstances, events or results may differ materially from those projected in the forward-looking statements, particularly as a result of various risks and other factors identified in our filings with the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events, or otherwise.*

**Media Contact:**
Emily Burdeshaw
REQ For Rekor Systems
rekor@req.co

**Investor Contact:**
Charles Degliomini
Rekor Systems, Inc.
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