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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 28, 2017

InterCloud Systems, Inc.
(Exact name of registrant as specified in its charter)

Delaware	000-32037	65-0963722
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
1030 Broad Street Suite 102 Shrewsbury, NJ		07702
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (732) 898-6308

(Former name or former address, if changed since last report.)

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

☐ 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 240.13a-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

InterCloud Systems, Inc., a Delaware corporation (the "Company," "we," "us," or "our") has embarked upon a plan to realign its business strategy and reduce the convertible debt on its balance sheet. In that regard, the Company has sold a non-core business division of one of its wholly-owned subsidiaries, ADEX Corporation ("ADEX"), and has used the proceeds to eliminate $3,625,000 of secured convertible debt from its balance sheet.

Asset Purchase Agreement

On February 28, 2017, we entered into an Asset Purchase Agreement (the "APA") with ADEX and HWN, Inc., a Delaware corporation ("HWN"), pursuant to which HWN purchased from ADEX and the Company ADEX's High Wire Networks division, in consideration of a $4 million cash payment (the "Purchase Price") to the Company, with an expected additional $900,000 cash payment in respect of a working capital adjustment to the Purchase Price to be paid to the Company in August 2017, all in accordance with the terms and conditions of the APA.

Reduction of Debt Obligations to Holder and Holder Affiliate

Consent

In connection with the execution of the APA, we executed a Consent, dated as of February 28, 2017 (the "Consent"), with the Holders (as defined below), in order to, among other things, (i) obtain the Holders' consent to the Company's execution of the APA; (ii) amend that certain Debenture, dated December 29, 2015 (as subsequently amended and restated, the "Debenture"), issued by the Company to the Holder party thereto (the "Holder), to modify the conversion price at which the Debenture converts into Common Stock of the Company ("Common Stock") from the lowest of (a) $0.2043 per share, (b) 80% of the average VWAPs (as defined in the Debenture) for each of the five consecutive trading days immediately prior to the applicable conversion, and (c) 85% of the VWAP (as defined in the Debenture) for the trading day immediately preceding the applicable conversion ((a)-(c), the "Old Conversion Prices"), to the lower of (a) $0.04 per share and (b) 80% of the lowest daily VWAP (as defined in the Debenture) for the thirty consecutive trading days immediately prior to the applicable conversion (the "New Conversion Prices"); (iii) amend that certain Convertible Note, dated February 18, 2016 (as subsequently amended and restated, the "Convertible Note"), issued by the Company and VaultLogix, LLC, a Delaware limited liability company ("VaultLogix") to an affiliate of the Holder (the "Holder Affiliate", and together with the Holder, the "Holders"), to modify the conversion price at which the Convertible Note converts into Common Stock from the Old Conversion Prices to the New Conversion Prices; (iv) amend that certain Senior Secured Note, dated May 17, 2016 (as subsequently amended and restated, the "2.7 Note"), issued by the Company to the Holder, to modify the conversion price at which the 2.7 Note converts into Common Stock from the Old Conversion Prices to the New Conversion Prices; and (v) apply $3,625,000 of the Purchase Price received in connection with the APA to payments to the Holder in respect of the Convertible Note, as more particularly set forth in the Consent.

Exchange Agreement

We also executed a Securities Exchange Agreement, dated as of February 28, 2017 (the "Exchange Agreement"), with the Holder, pursuant to which the Holder agreed to exchange its additional investment rights under Section 4.13 of that certain Securities Purchase Agreement, effective as of December 29, 2015, by and between the Company and the Holder, in consideration of the Company's execution and delivery to the Holder of a warrant (the "Warrant") to purchase from the Company up to a number of shares of Common Stock that would result in the Company receiving aggregate proceeds from the exercise of the Warrant of $1 million. The Warrant expires on November 28, 2018 and contains a cashless exercise feature. If the Warrant is exercised prior to May 29, 2017, the exercise price per share is $0.04. If the Warrant is exercised on or after May 29, 2017, the exercise price per share is equal to the lower of: (a) $0.04 and (b) 80% of the lowest daily VWAP (as defined in the Warrant) of the Common Stock for the thirty (30) consecutive trading day period immediately preceding the applicable exercise date.

The foregoing description of the APA, Consent, Exchange Agreement, and Warrant does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the APA, Consent, Exchange Agreement, and Warrant, copies of which are filed herewith as Exhibits 10.1, 10.2, and 10.3, and 10.4 respectively, and are incorporated by reference herein. The provisions of the APA, Consent, Exchange Agreement, and Warrant, including the representations and warranties contained therein, are not for the benefit of any party other than the parties to such agreements and are not intended as documents for investors and the public to obtain factual information about our current state of affairs. Rather, investors and the public should look to other disclosures contained in our filings with the SEC.

Item 2.01. Completion or Acquisition or Disposition of Assets

The information set forth in Item 1.01 in this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference. The Warrant and the shares of Common Stock issuable to the Holder upon exercise of the Warrant, was issued without registration under the Securities Act of 1933, as amended (the "Securities Act"), based on the exemption from registration afforded by Section 3(a)(9) of the Securities Act thereunder.

Item 8.01. Other Events

On February 28, 2017, the Company issued a press release announcing the execution of the APA. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Neither the filing of the press release as an exhibit to this Current Report on Form 8-K nor the inclusion in the press release of a reference to the Company's internet address shall, under any circumstances, be deemed to incorporate the information available at its internet address into this Current Report on Form 8-K. The information available at the Company's internet address is not part of this Current report on Form 8-K or any other report filed by the Company with the SEC.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
10.1	Asset Purchase Agreement, dated as of February 28, 2017, by and among the Company, ADEX Corporation, and HWN, Inc.
10.2	Consent, dated as of February 28, 2017, by and among the Company and the Holders party thereto.
10.3	Securities Exchange Agreement, dated as of February 28, 2017, by and between the Company and the Holder party thereto.
10.4	Common Stock Purchase Warrant, dated February 28, 2017, executed by the Company in favor of the Holder party thereto.
10.5	10% Original Issue Discount Senior Secured Convertible Debenture, dated December 29, 2015, executed by the Company in favor of the Holder party thereto. (1)
10.6	8.25% Senior Secured Convertible Note, dated February 18, 2016, executed by the Company and VaultLogix, LLC in favor of the Holder party thereto. (2)
10.7	0.67% Senior Secured Note, dated May 17, 2016, executed by the Company in favor of the Holder party thereto. (3)
10.8	Securities Purchase Agreement, dated as of December 29, 2015, between the Company and the Purchasers party thereto. (4)
99.1	Press Release, dated March 1, 2017.

(1) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 30, 2015 and incorporated herein by reference.
(2) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on February 19, 2016 and incorporated herein by reference.
(3) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on May 23, 2016 and incorporated herein by reference.
(4) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on December 30, 2015 and incorporated herein by reference.

Cautionary Statement Regarding Forward-Looking Statements

The statements contained in this Current Report on Form 8-K that are not historical facts are forward-looking statements (within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended) that involve risks and uncertainties. Such forward-looking statements may be identified by, among other things, the use of forward-looking terminology such as "believe," "expect," "may," "could," "would," "plan," "intend," "estimate," "predict," "potential," "continue," "should" or "anticipate" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Such statements involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of the Company and its subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of the Company for future operations, other statements of expectation or belief, and any statements or assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the possibility that expected benefits may not materialize as expected, including with respect to the additional $900,000 cash payment to be made to the Company in connection with the APA. The Company assumes no obligation and does not intend to update these forward-looking statements.

SIGNATURE

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

INTERCLOUD SYSTEMS, INC.

Date: March 1, 2017

By: /s/ *Mark E. Munro*
Mark E. Munro
Chief Executive Officer

EXHIBIT INDEX

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Exhibit 10.1

EXECUTION COPY

ASSET PURCHASE AGREEMENT

BY AND AMONG

HWN, INC.,

ADEX CORPORATION,

AND

INTERCLOUD SYSTEMS, INC.

TABLE OF CONTENTS

ASSET PURCHASE AGREEMENT
BY AND AMONG
HWN, INC.,
ADEX CORP.
AND
INTERCLOUD SYSTEMS, INC.

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of February 28, 2017, and is made effective as of February 1, 2017, and is made and entered into by and among HWN, INC., a Delaware corporation (the "Purchaser"), ADEX CORP., a New York corporation ("ADEX"), INTERCLOUD SYSTEMS, INC., a Delaware corporation ("InterCloud," and together with ADEX, the "Seller").

RECITALS:

A. ADEX is a wholly-owned subsidiary of InterCloud. ADEX, through its High Wire division, is in the business of contracting with telecommunications infrastructure manufacturers to install the manufacturers' products for end-users (the "Business"). Seller desires to sell, and Purchaser desires to purchase, Seller's assets related to the Business, subject to the terms and conditions set forth herein.

B. Subject to the terms and conditions hereof (i) Purchaser will purchase the Business; (ii) Purchaser will agree to hire certain of Seller's employees; and (iii) Seller will agree not to compete with the Business being sold to Purchaser, and not to solicit the Business clients being transferred to Purchaser in connection with this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
ACQUISITION OF THE BUSINESS

Section 1.1. Sale and Transfer of Certain Assets of the Business. Subject to the terms and conditions of this Agreement, Seller agrees to transfer, and Purchaser agrees to acquire certain assets of the Business. Seller agrees that all conditions precedent related to the transfer of the Business to Purchaser will have been completed by the Closing Date. In connection with such transfer, Seller agrees to transfer and assign to Purchaser any and all right, title and interest currently owned or licensed by Seller in connection with the Business, and described herein (the "Transferred Assets") free and clear of all liens and encumbrances, which shall be sold pursuant to and in accordance with the Bill of Sale, substantially in the form attached hereto as Exhibit 1.1.

(a) Accounts receivable listed on Schedule 1.1(a) attached hereto;

(b) All inventory and other assets of the Seller related to the Business, including all contracts, equipment and other fixed assets, software, intellectual property and licenses and other assets related to the Business listed on Schedule 1.1(b).

(c) All files related to the Business, including, specifically, complete client files related to the Business, including contracts, purchase orders, service contracts, licensing agreements, billing records, correspondence, and any other reasonable information that would assist or benefit Purchaser in connection with the ongoing support, sales, and service of the Business;

(d) Any pre-paid contracts, deposits or service or maintenance renewal fees related to any period of time from the Closing Date onward;

(e) The right to the name "High Wire Networks" and derivatives thereof;

(f) All trademarks, trade, brand, assumed and domain names and websites of Seller associated with the Business listed on Schedule 1.1(f);

(g) All rights in, to and under the assigned contracts listed in Schedule 1.1(g) (the "Assigned Contracts");

(h) All work in progress of the Business listed on Schedule 1.1(h); and

(i) All cash and cash equivalents and deposit accounts related to the Business.

Section 1.2. Excluded Assets. Purchaser is purchasing only the Transferred Assets, and will not be purchasing any other assets of Seller, which shall be excluded from the Transferred Assets, including, but not limited to, the assets listed below (the "Excluded Assets"):

(a) All financial statements, tax returns and related financial information of the Seller;

(b) All insurance policies owned or maintained by Seller and all rights thereunder;

(c) All claims for refunds of taxes or governmental charges; and

(d) Interest on and principal amounts due and owing to Seller by any of its affiliates.

Section 1.3. Liabilities. The parties hereto agree as follows:

(a) At the Closing, Purchaser shall assume and agree to discharge only the following specifically enumerated liabilities of Seller (the "Assumed Liabilities"):

(i) those liabilities arising under accounts payable set forth on Schedule 1.3(a)(i);

(ii) those liabilities relating to the Business for future payment or performance under the Assigned Contracts, including customer deposits and deferred revenue which (A) initially accrue or arise after the Closing Date; (B) were incurred in the ordinary course of business; and (C) are not the result of or caused by any breach, failure to perform, improper performance or default of, Seller thereunder on or prior to the Closing Date;

(iii) except as otherwise set forth herein, any and all liabilities arising out of or related to the ownership of the Transferred Assets or the operation of the Business arising or accruing from and after the Closing Date;

(iv) all obligations to complete work-in-progress; and

(v) accrued commissions and other unpaid accrued expenses as set forth in Schedule 1.3(a)(v).

(b) All other liabilities of the Seller that are not Assumed Liabilities, whether existing as of the Closing Date or incurred thereafter, and whether direct or indirect, known or unknown, shall constitute excluded liabilities (the "Excluded Liabilities") All Excluded Liabilities remain the sole obligation of Seller and Purchaser shall not assume, and shall not agree to assume, or pay or perform, or in any way be responsible for, any of the Excluded Liabilities. The Seller shall pay and satisfy in due course all Excluded Liabilities which the Seller is obligated to pay and satisfy.

Section 1.4. Employees. Purchaser and Seller also agree that Purchaser shall offer current employment opportunities to certain key employees ("Key Employees") who are identified and listed on Schedule 1.4 effective as of Closing. Schedule 1.4 shall also include their current wages or salaries, and other benefits. Purchaser shall have no obligation to match such wages, salaries or benefits. Seller will pay to the Key Employees the amount of any accrued vacation time existing as of the date of Closing. Seller will make available to Purchaser, to the extent allowed under law, a copy of all employment files related to the Key Employees who agree to work for Purchaser. Seller shall remain liable for any and all obligations related to the Key Employees for periods prior to Closing, and will indemnify and hold Purchaser harmless from same. Purchaser will be liable for any and all obligations related to the Key Employees who agree to work for Purchaser for periods on or after Closing, and will agree to indemnify and hold Seller harmless from same. As further described in Section 5.6 hereof, the parties contemplate entering into a Services Agreement for transition services from the Closing Date until August 28, 2017, unless extended by mutual agreement of the parties pursuant to the terms of the Services Agreement.

Section 1.5. Purchase Price for the Business.

(a) The aggregate consideration (the "Purchase Price") to be paid by Purchaser to Seller for the Transferred Assets shall be an amount equal to the sum of: (a) Four Million Dollars ($4,000,000) (the "Base Payment"); (b) plus the Adjusted Net Working Capital Amount.

(b) The Base Payment shall be paid at Closing to the Seller in cash in immediately available funds in accordance with the payment statement, attached hereto as Exhibit 1.5(b)(i) (the "Payment Statement").

(c) No sooner than five (5) days and no later than two (2) days prior to the Closing Date, Seller shall prepare and deliver to the Purchaser the calculation of the Closing Net Working Capital Amount, along with detailed supporting schedules and records for the Seller's calculation of the Closing Net Working Capital Amount. The Seller's calculation of the Closing Net Working Capital Amount shall be subject to approval by the Purchaser (which approval shall not be unreasonably withheld), and the Seller shall provide the Purchaser with access to all books, records and personnel requested by Purchaser to verify and approve the Closing Net Working Capital Amount. As used herein " Closing Net Working Capital Amount" shall mean the current assets of the Seller (excluding cash on hand) to be received by the Purchaser at Closing less the current liabilities of Seller to be assumed by Purchaser at Closing, prepared in conformity with generally accepted accounting principles in effect from time to time, consistently applied ("GAAP").

(d) Six (6) months following the Closing Date, Purchaser shall prepare and deliver to the Seller a statement setting forth Purchaser's calculation of the Adjusted Net Working Capital Amount. As used herein, " Adjusted Net Working Capital Amount" shall mean the Closing Net Working Capital Amount, less any adjustments for (a) unrecorded liabilities related to pre-paid service agreements as of the Closing Date, for which Seller has already received payment from the applicable customer as invoiced but not collected accounts receivable related to prepaid services between January 10, 2017 and the Closing Date; (b) any commissions incorrectly estimated, either over or under-estimated, on the Closing Date paid by Purchaser to sales staff for transactions completed and invoiced prior to the Closing Date; (c) any funds collected in error by Purchaser or Seller and not returned; and (d) any fees, taxes, costs or penalties incurred by Seller and paid by Purchaser deemed essential to business continuity relating to the period up to the Closing Date and arising from Seller's errors or omissions. Within thirty (30) days after delivery of Purchaser's calculation of the Adjusted Net Working Capital Amount (the "Objection Period"), the Seller shall notify Purchaser in writing of any objections to the calculations contained therein, specifying in detail each objection and the basis for each objection (an "Objection Notice"). If the Seller fails to deliver an Objection Notice to Purchaser within the Objection Period, then Purchaser's calculation of the Adjusted Net Working Capital Amount shall be deemed final, binding and conclusive for all purposes hereunder. If the Seller delivers an Objection Notice to Purchaser within the Objection Period, then Purchaser and the Seller shall use good faith efforts to resolve the disputed items during the thirty (30) day period after the Objection Notice has been delivered to Purchaser (or within such extended time period as is mutually agreed by the Purchaser and the Seller). Any disputed items resolved in writing between the Purchaser and the Seller within such thirty (30) day period (or within such extended time period as is mutually agreed by the Purchaser and the Seller) shall be final and binding with respect to such items. Any items which the Purchaser and the Seller are unable to so resolve shall be submitted for final determination to an independent accounting firm acceptable to Purchaser and the Seller (the "Independent Accountant").

The Independent Accountant shall make a written determination as to each issue remaining in dispute and the amount of the Adjusted Net Working Capital Amount and the effect thereof on the Purchase Price, which determination of the Independent Accountant shall be final and binding upon the parties for all purposes hereunder. The Purchaser and the Seller shall use their commercially reasonable efforts to cause the Independent Accountant to render a written decision resolving the matters submitted to it within thirty (30) days following the submission thereof. The Independent Accountant shall be authorized to resolve only those issues remaining in dispute between the Purchaser and the Seller submitted to it in accordance with this Section. The Purchaser and the Seller shall instruct the Independent Accountant not to, and the Independent Accountant shall not, assign a value to any item in dispute greater than the greatest value for such item assigned by Purchaser, on the one hand, or the Seller, on the other hand, or less than the smallest value for such item assigned by Purchaser, on the one hand, or the Seller, on the other hand. The Purchaser and the Seller shall also instruct the Independent Accountant to make its determination based solely on presentations by the parties which are in accordance with the guidelines and procedures set forth in this Agreement, and not on the basis of any independent review by the Independent Accountant. The Purchaser and the Seller agree that judgment may be entered upon the written determination of the Independent Accountant in any court referred to in this Agreement. The fees and expenses of the Independent Accountant shall be borne by the parties in inverse proportion as they may prevail on the issues resolved by the Independent Accountant, which proportionate allocation shall be calculated on an aggregate basis based on the relative dollar values of the amounts in dispute and shall be determined by the Independent Accountant at the time the Independent Accountant renders its determination on the merits of the matters submitted thereto.

(e) Within five (5) Business Days following the date on which the calculation of the Adjusted Net Working Capital Amount become final and binding pursuant to this Agreement, Purchaser shall pay to Seller (by wire transfer of immediately available funds pursuant to instructions provided by the Seller) an amount equal to the Adjusted Net Working Capital Amount.

(f) Allocation of Purchase Price. The Purchase Price shall be allocated to the Transferred Assets using the methodology described on Exhibit 1.5(f) hereto.

ARTICLE 2
DUE DILIGENCE

Section 2.1. Due Diligence Deliveries. Prior to the Closing Date, Seller shall deliver to Purchaser information concerning Seller's Business, including client information, financial statements, and UCC lien, tax lien and judgment searches for the Seller and all of the Transferred Assets in a form and content satisfactory to Purchaser obtained from a third party service company.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller, that as of the date hereof, and as of the Closing Date, as follows:

Section 3.1. Organization. Purchaser is a Delaware corporation duly organized and existing under the laws of the state of Delaware with full corporate and other power and authority to carry on its business as it is now being conducted.

Section 3.2. Authority; Enforceability. Purchaser has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. All requisite actions to approve, execute, deliver and perform this Agreement and each other agreement and document delivered or to be delivered by it in connection herewith has been or will be taken by it. A copy of Purchaser's Resolutions approving this transaction are attached hereto as Exhibit 3.2. This Agreement and each other agreement and document delivered by Purchaser in connection herewith have been or will be duly executed and delivered by it and constitute or will constitute the legal, valid and binding obligations of it enforceable in accordance with their respective terms.

Section 3.3. No Conflicts. No action taken by or on behalf of Purchaser in connection herewith, including, but not limited to, the execution, delivery and performance of this Agreement:

(a) contravenes, conflicts with or results in a violation or breach of any contract to which Purchaser is a party;

(b) contravenes, conflicts with or violates: (i) any law or (ii) any order, arbitration award, judgment, decree or other similar restriction to which Purchaser or its respective assets is subject; or

(c) constitutes an event which, after notice or lapse of time or both, would result in any of the foregoing.

Section 3.4. Consents. Except for the ratification and approval of this Agreement by Purchaser's board of directors, no approval or consent is required to be made by it in connection with the transactions contemplated hereby or the execution, delivery or performance by it of this Agreement or any other agreement or document delivered by or on behalf of it in connection herewith.

Section 3.5. Brokers or Finders. Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the transactions contemplated hereunder.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser that as of the date hereof, and as of the Closing Date, as follows:

Section 4.1. Organization. ADEX is a corporation duly organized, existing and in good standing under the laws of the State of New York. InterCloud Systems, Inc. is a corporation duly organized, existing and in good standing under the laws of the State of Delaware. Each Seller has full control and other power and authority to carry on its business as it is now being conducted. Each Seller is duly qualified or authorized to do business and is in current status or good standing, as applicable, under the laws of each jurisdiction in which the conduct of its business requires such qualification or authorization.

Section 4.2. Authority; Enforceability.

(a) Each Seller has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. All requisite actions to approve, execute, deliver and perform this Agreement and each other agreement and document delivered or to be delivered by each Seller in connection herewith has been or will be taken by each Seller. A copy of Seller's Resolutions approving this transaction are attached hereto as Exhibit 4.2. This Agreement and each other agreement and document delivered by Seller in connection herewith have been or will be duly executed and delivered by Seller and constitute or will constitute the legal, valid and binding obligations of Seller enforceable in accordance with their respective terms.

(b) Each Seller has full capacity, power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. This Agreement and each other agreement and document delivered by Seller in connection herewith have been or will be duly executed and delivered by them and constitute or will constitute the legal, valid and binding obligations of each Seller enforceable in accordance with their respective terms.

Section 4.3. Consents. Except for the ratification and approval of this Agreement by Seller's board of directors, and except as set forth on Schedule 4.3, no approval or consent is required to be obtained by Seller in connection with the transactions contemplated hereby or the execution, delivery or performance by Seller of this Agreement. . If the consent or approval of any third party is necessary for the assignment or other transfer to Purchaser of any contract identified as an Assumed Contract, and such consent or approval has not been obtained prior to Closing, then such Contract shall not be assigned to Purchaser and shall not be an Assumed Contract, unless otherwise agreed to by the Purchaser. Following Closing, the parties shall use commercially reasonable efforts to obtain such consents or approvals. If any such consent or approval cannot be obtained, the parties will cooperate in any reasonable arrangement designed to obtain for Purchaser all benefits and privileges of the applicable contract.

Section 4.4. No Conflicts. No action taken by or on behalf of Seller in connection herewith, including, but not limited to, the execution, delivery and performance of this Agreement:

(a) contravenes, conflicts with or results in a violation or breach of any contract to which Seller is a party;

(b) contravenes, conflicts with or violates: (i) any law or (ii) any order, arbitration award, judgment, decree or other similar restriction to which Seller or its respective assets is subject; or

(c) constitutes an event which, after notice or lapse of time or both, would result in any of the foregoing.

Section 4.5. Claims. There is no litigation, claim, governmental or other proceeding or investigation pending or, to the knowledge of Seller, threatened against Seller which if adversely determined would have a material adverse effect on the Business.

Section 4.6. Ownership. On the Closing Date, Seller will sell the Transferred Assets free and clear of all liens and encumbrances.

Section 4.7. Financial Statements. The financial statements delivered to Purchaser (the "Financial Statements") and which are attached as Schedule 4.7 fairly present the financial condition and the results of operations of the Business as at the respective dates of and for the periods referred to in such Financial Statements, all in accordance with GAAP. The Financial Statements referred to in this Section 4.7 reflect the consistent application of such accounting principles throughout the periods involved, and have been prepared from the books and records of Seller and are in accordance with the accounting records of Seller.

Section 4.8. Key Employees. None of the Key Employees have written employment agreements or letter agreements that are intended to serve as employment agreements or contracts, or post-employment restrictive covenants.

Section 4.9. No Material Adverse Change. Since the date of the Financial Statements, there has not been any material adverse change in the business, operations, prospects, assets, results of operations or condition (financial or other) of the Business, and no event has occurred or circumstance exists that may result in such a material adverse change.

Section 4.10. Brokers or Finders. Seller has not incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with the transactions contemplated hereunder.

Section 4.11. Solvency. Seller hereby warrants and represents that neither its execution of this Agreement nor consummation of the transactions contemplated by this Agreement shall constitute a fraudulent transfer of Seller's property, as defined in the Uniform Fraudulent Transfer Act, as promulgated in the State of Illinois at 740 ILCS 160/1, *et seq.,* as may be amended or supplemented from time to time (the "Act"). In this regard, Seller specifically warrants and represents that:

(a) Seller has been for the one (1) year period ending on the date of this Agreement, and is on the date of this Agreement, solvent;

(b) Seller will not be made insolvent by its execution of this Agreement or its consummation of the transactions contemplated by this Agreement;

(c) Purchaser has given Seller, and Seller has received, property of a present value reasonably equivalent to the value of the present property transferred to Purchaser; and

(d) The transfers of property contemplated in this Agreement, individually and collectively, are not fraudulent as to any one or more of Seller's creditors, regardless of whether the claims of such creditors arose before or arise after the consummation of such transfers.

Section 4.12. Tax Matters. With respect to the Business: (i) Seller has filed or caused to be filed on a timely basis all tax returns and all reports with respect to taxes that are or were required to be filed pursuant to applicable Law; (ii) to Seller's knowledge, all positions taken on such tax returns and reports filed by Seller relating to the Business are true, correct and complete in all respects and were prepared in compliance with all applicable laws and regulations; (iii) Seller has paid, or shall pay all filed or required to be filed taxes that have or may have become due for all periods covered by all tax returns filed or required to be filed or otherwise, or pursuant to any assessment received by Seller, including, without limitation, a tax liability to the State of Illinois in the amount of $21,970.76; (iv) Seller has made all withholding of taxes required to be made under all applicable Laws including, without limitation, withholding with respect to sales and use taxes and compensation paid to employees, and the amounts withheld have been properly paid over to the appropriate tax authorities; (v) no claim has ever been made or could reasonably be made by any governmental entity in a jurisdiction where Seller does not file tax returns with respect to the Business that it is or may be subject to taxation by that jurisdiction in connection with the Business; (vii) there are no encumbrances on any of the Transferred Assets that arose in connection with any failure (or alleged failure) to pay any tax and no basis exists for assertion of any claims attributable to taxes which, if adversely determined, would result in any such encumbrance; (viii) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code; and (ix) the transactions contemplated by this Agreement are not subject to the tax withholding provisions of Section 3406 of the Code or of Sub-Chapter A or Chapter 3 of the Code, or of any other comparable provision of Law.

Section 4.13. Employee Benefits.

(a) Schedule 4.13(a) set forth a complete list of all material benefit plans operated by Seller that cover the Key Employees (the "Company Benefit Plans"). Apart from the Company Benefit Plans, there are no other benefit plans pertaining to the Business. Seller is in compliance with its obligations under the Company Benefit Plans and has made all deposits required to be made with respect to the Company Benefit Plans as of the Closing Date.

(b) Schedule 4.13(b) sets forth the job titles, salaries, age and dates of commencement of continuous service for each Key Employee and the amount of any bonuses due and payable. As of the date hereof, there are no proposals to change the terms, schemes, arrangements or policies relating to Key Employees.

(c) Benefits Matters.

(i) None of Seller or any ERISA Affiliate thereof contributes or has been required to contribute (on a contingent basis or otherwise), to any multiemployer plan pertaining to the Business within the meaning of Section 3(37) of ERISA. No Company Benefit Plan has ever been subject to Title IV of ERISA and no event (including any action or any failure to take any action) has occurred with respect to any Company Benefit Plan currently maintained by QAA or any ERISA Affiliate thereof that would subject QAA to any liability under Title IV of ERISA.

(ii) The Company Benefit Plans have been maintained, in all material respects, in accordance with their terms and with all provisions of ERISA, the Code and other applicable federal and state laws, and no Seller nor, to the Knowledge of the Seller, any other "party in interest" or "disqualified person" with respect to the Company Benefit Plans has engaged in a non-exempt "prohibited transactional" within the meaning of Section 4975 of the Code or Section 406 of ERISA. No fiduciary who is an employee or director of the Seller, and no other fiduciary has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any Company Benefit Plan.

(iii) The Company Benefit Plans intended to qualify under Section 401 of the Code are so qualified and the trusts maintained pursuant thereto are exempt from federal income taxation under Section 501 of the Code, and nothing has occurred with respect to the operation of such plans which could cause the loss of such qualification or exemption or the imposition of any liability, penalty or tax under ERISA or the Code, except for insignificant operational errors which are eligible for self-correction under the terms of the IRS's Employee Plans Compliance Resolution System program.

(iv) There are no pending actions, claims or lawsuits which have been asserted or instituted against the Company Benefit Plans, the assets of any of the trusts under such plans or the plan sponsor or the plan administrator; or against any fiduciary of the Company Benefit Plans with respect to the operation of such plans (other than routine benefit claims), nor are there any facts which could form the basis for any such claim or lawsuit.

Section 4.14. Absence of Undisclosed Liabilities and Encumbrances. The Transferred Assets shall be conveyed to Purchaser pursuant to this Agreement free and clear of all encumbrances, and except for the Assumed Liabilities, Purchaser shall not incur any liability as a result of its acquisition of the Transferred Assets. Seller has no indebtedness, obligation or liability relating to the Business (in any case, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated or due or to become due) which is not shown on the face of the most recent audited balance sheets of Seller (or in the notes to the corresponding audited financial statements) and would reasonably be expected to have a material adverse effect on the Business and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand against Seller or the Business or otherwise affecting the Transferred Assets giving rise to any such indebtedness, obligation or liability.

Section 4.15. Litigation. Other than those actions or proceedings previously disclosed by the parties (a) there are no investigations, inquiries, audits or proceedings pending or overtly threatened against or affecting the Business or any of the Transferred Assets, (b) there are no unsatisfied judgments of any kind against Seller, the Business or any of the Transferred Assets, and (c) Seller is not subject to any judgment, order or decree of any court or governmental entity.

Section 4.16. Intellectual Property. Seller is the owner or a licensee of all right, title and interest in and to each of the Transferred Assets relating to intellectual property which shall be transferred to the Purchaser on the Closing Date free and clear of all encumbrances.

ARTICLE 5
CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATION TO CLOSE

Purchaser's obligation to take the actions required to be taken by them at Closing is subject to the satisfaction, at or prior to Closing, of each of the following conditions (any of which may be waived by Purchaser, in whole or in part):

Section 5.1. Satisfaction of Due Diligence. Purchaser shall have completed, and shall be satisfied with, in its sole discretion, its due diligence review of the business and assets of Seller, provided, however, that Purchaser shall have completed its due diligence review no later than the Closing Date. In connection therewith, Purchaser shall have access to such information, books, records, facilities, personnel and certain clients of Seller as Purchaser may reasonably request.

Section 5.2. Key Employees. Each of the Key Employees has agreed to be employed by the Purchaser.

Section 5.3. Accuracy of Representations. Seller's representations and warranties in this Agreement (considered collectively), and each of such representations and warranties (considered individually), shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made.

Section 5.4. Seller's Performance. All of the covenants and obligations that Seller are required to perform or to comply with pursuant to this Agreement at or prior to the Closing (to the extent such matters can be done prior to Closing, and if not, within a reasonable period of time after Closing), and each of such covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

Section 5.5. No Proceedings and No Material Adverse Changes. As of the Closing Date, there shall not have been commenced or threatened against Seller any proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated herein or (b) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions or otherwise interfering with any of the transactions contemplated herein. Likewise, there shall not be any material adverse change in the Business of Seller, its relationships with its clients, its business prospects, its employees, its board, or other third parties with whom it conducts business, which would, in a material respect, negatively and adversely impact or affect the Business on a go forward basis.

Section 5.6. Transition Assistance. The parties shall enter into a Services Agreement to provide for the transition of certain services.

Section 5.7. Additional Documentation. Such other documents as Purchaser may reasonably request from Seller for the purpose of facilitating the consummation or performance of any of the transactions contemplated hereunder.

Section 5.8. Lender Approval. Purchaser shall have received an executed letter from the Seller's senior secured lender reasonably satisfactory to Purchaser confirming that all liens upon any of the Transferred Assets in favor of such lender have been released prior to the Closing Date, or will be released on the Closing Date.

Section 5.9. Stop Orders. Seller shall have delivered to Purchaser Stop Orders, Releases or Clearance Letters, as the case may be, from the Illinois Department of Revenue and the Illinois Department of Employment Security, and any other applicable jurisdictions, with respect to the transactions contemplated hereunder.

Section 5.10. Schedule of Liabilities Known to Seller. Seller shall have provided Purchaser with a schedule of all liabilities related to the Business, whether such liabilities will be Assumed Liabilities or not, detailing all known and contingent liabilities related to the Business. Seller shall certify that such schedule has been prepared to the best of its knowledge, and is a material inducement to Purchaser entering into this Agreement.

ARTICLE 6
CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS TO CLOSE

Seller's obligation to take the actions required to be taken by them at Closing is subject to the satisfaction, at or prior to Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

Section 6.1. Accuracy of Representations. All of Purchaser's representations and warranties in this Agreement (considered collectively), and each of such representations and warranties (considered individually), shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made.

Section 6.2. Purchaser's Performance. All of the covenants and obligations that Purchaser is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of such covenants and obligations (considered individually), shall have been duly performed and complied with in all material respects.

Section 6.3. Schedule of Liabilities Known to Purchaser. Purchaser shall have provided Seller with a schedule of all liabilities related to the Business, whether such liabilities will be Assumed Liabilities or not, detailing all known and contingent liabilities related to the Business. Purchaser shall certify that such schedule has been prepared to the best of its knowledge, and is a material inducement to Seller entering into this Agreement.

Section 6.4. Additional Documentation. Such other documents as Seller may reasonably request from Purchaser for the purpose of facilitating the consummation or performance of any of the transactions contemplated hereunder, including the Services Agreement.

ARTICLE 7
CLOSING AND CLOSING DELIVERIES

Section 7.1. Closing Date. Subject to the terms and conditions hereof, consummation of the transactions contemplated hereby (the "Closing") shall take place on February 28, 2017, and is effective as of February 1, 2017 (the "Closing Date"), or such other date upon which all conditions to Closing shall be satisfied. The Closing shall take place by the electronic exchange of documents.

Section 7.2. Closing Deliveries. At Closing, each party will sign, execute and deliver any and all necessary approvals, consents, bills of sale, assignments, or other documents reasonably required to complete the transactions called for by this Agreement.

ARTICLE 8
PRE-CLOSING COVENANTS OF SELLER

Seller covenants and agrees to comply with each of the following provisions between the date hereof and the Closing Date:

Section 8.1. No Transfer of the Purchased Assets. Seller shall not enter and has not entered into any agreement, arrangement, commitment or understanding to sell, transfer, assign, convey, pledge or otherwise dispose of any interest in, or assets of, the Business except in the ordinary course of business.

Section 8.2. Maintenance of Status. Each Seller will be maintained at all times as a duly organized corporation validly existing and in good standing under the laws of the State of Delaware.

Section 8.3. Operation of Business. Seller's Business will operate and has operated its business diligently and in the usual, regular and ordinary course and manner as it has been previously operated, and (a) Seller will preserve Seller's present business organization with respect to the Business intact; (b) preserve Seller's relationships with employees, owners, customers, clients, suppliers, and others having business dealings with the Business (except as related to ordinary turnover); and (c) continue to provide the same kind, quality, frequency and timeliness of service to each Business customer or client in a manner consistent with Seller's past practices.

Section 8.4. Actions Before the Closing Date. Seller will not take and has not taken any action or permit any action to occur which shall cause Seller to be in breach of any representation, warranty, covenant or agreement contained in this Agreement or cause Seller to be unable to perform in any material respect Seller's obligations hereunder and shall use commercially reasonable best efforts (subject to any conditions set forth in this Agreement) to perform and satisfy all conditions to Closing to be performed or satisfied by Seller under this Agreement or any other agreement entered into in connection herewith, including action necessary to obtain all consents and approvals of any person required to be obtained by him or it to effect the transactions contemplated by this Agreement, or any other agreement entered into in connection herewith.

Section 8.5. Access; Cooperation. Seller will provide and has provided Purchaser and their accountants, attorneys and other authorized representatives, the right, upon reasonable notice and during normal business hours, to enter Seller's offices in order to inspect Seller's records and business operations with respect to the Business and to consult with the Seller officers and its legal and accounting advisors. Seller shall generally cooperate with Purchaser and their officers, managers, employees, attorneys, accountants and other agents and, generally, do such other acts and things in good faith as may be reasonable to timely effectuate the purposes of this Agreement and the consummation of the transactions contemplated herein in accordance with the provisions of this Agreement.

Section 8.6. Notification of Certain Matters. Seller shall give prompt notice to Purchaser of:

(a) the occurrence, or failure to occur, of any event which occurrence or failure would be likely to cause any representations or warranties contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the Closing Date, and

(b) any failure to comply with or satisfy in any respect any covenant, condition or agreement to be complied with or satisfied by it hereunder.

Section 8.7. Exclusivity. Seller shall not entertain, promote, seek, obtain, encourage, or solicit any other third party to make a proposal or ascertain their interest in acquiring the assets, business, or client contacts or information concerning the Business.

ARTICLE 9
PRE-CLOSING COVENANTS OF PURCHASER

Purchaser covenants and agrees to comply with each of the following provisions between the date hereof and the Closing Date:

Section 9.1. Maintenance of Status. Purchaser will maintain or has maintained itself, at all times as a duly organized corporation, validly existing under the laws of the State of Delaware.

Section 9.2. Actions Before the Closing Date. Purchaser will not take and has not taken any action or permit any action to occur which shall cause it to be in breach of any representation, warranty, covenant or agreement contained in this Agreement or cause it to be unable to perform in any material respect its obligations hereunder and shall use commercially reasonable best efforts (subject to any conditions set forth in this Agreement) to perform and satisfy all conditions to Closing to be performed or satisfied by it under this Agreement or any other agreement entered into in connection herewith, including action necessary to obtain all consents and approvals of any Person required to be obtained by it to effect the transactions contemplated by this Agreement, or any other agreement entered into in connection herewith.

Section 9.3. Confidentiality. Other than to Purchaser's representatives to whom disclosure is necessary in order for Purchaser to enter into this Agreement, such Purchaser has maintained, following the Closing will maintain, the confidentiality of all disclosures made to it in connection with the transactions contemplated by this Agreement.

Section 9.4. Additional Notices and Covenants. Purchaser will give and has given all notices to any governmental authority and other third parties required to be given by it in connection with the transactions contemplated by this Agreement.

Section 9.5. Notification of Certain Matters. Purchaser will give and has given prompt notice to Seller of:

(a) the occurrence, or failure to occur, of any event which occurrence or failure would be likely to cause any of its representations or warranties contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the Closing Date, and

(b) any failure of it to comply with or satisfy in any respect any covenant, condition or agreement to be complied with or satisfied by it hereunder. It shall use its commercially reasonable efforts to remedy promptly any such failure.

ARTICLE 10
POST-CLOSING COVENANTS

Section 10.1. Agreement Not to Compete. Seller and Purchaser acknowledge that there are certain business overlaps between the Business and other partially or wholly-owned subsidiaries of Seller. Notwithstanding these existing customer overlaps defined below, for a period of two (2) years from the Closing Date, Seller and Purchaser each agree that it will not knowingly solicit, offer, perform or sell any of the identical products or services that are currently sold directly to any existing active client of such other party in the continental United States (the "Restricted Territory"). With regard to customers within the Defined Customer Overlap, Purchaser will not expand its current array of services being performed for the overlapped customers in a way which would compete with the current business of the Seller, or its partially or wholly-owned subsidiaries. Additionally, with regard to customers within the Defined Customer Overlap, Seller will not expand its current array of services being performed for the overlapped customers in a way which would compete with the Business. For purposes hereof, "Defined Customer Overlap" shall include AT&T, Juniper Networks, any and all clients of SDN Essentials and any wholesale client of TNS, and Uline. Seller acknowledges that certain shareholders of Purchaser are also shareholders of Carousel Industries of North America, Inc., a provider of telecommunication products and services. Seller acknowledges that the restrictions in this Section shall not apply to any individual employee, shareholder, officer, director, affiliate or agent of the Seller that is not a Key Employee.

Section 10.2. Agreement Not to Solicit. For a period of two (2) years from the Closing Date, neither Seller nor Purchaser shall, directly or indirectly, solicit for employment or attempt to solicit otherwise, endeavor to entice away, hire or retain any person who is an employee of such other party; further, if an employee of Seller or any partially or wholly-owned subsidiary of Seller responds to a general solicitation or approaches Purchaser seeking employment without solicitation, then Purchaser shall notify Seller within one business day, and not hire such person without Seller's express written consent. Seller acknowledges that certain shareholders of Purchaser are also shareholders of Carousel Industries of North America, Inc., a provider of telecommunication products and services. Seller acknowledges that the restrictions in this Section shall not apply to any individual employee, shareholder, officer, director, affiliate or agent of the Seller that is not a Key Employee.

Section 10.3. Purchaser shall instruct all Key Employees to immediately return all customer lists and any other information related to the Business which may have been gathered during the time that Seller has owned the Business, other than the Transferred Assets. Further, Purchaser shall instruct all such Key Employees to maintain the confidentiality of all such information, and not share such information with any other person. Such covenant is a material inducement to Seller entering into the transactions contemplated by this Agreement.

ARTICLE 11
DISPUTE RESOLUTIONS

Section 11.1. Arbitration. Except as hereinafter set forth in Section 11.2 below, if a dispute between the parties arises out of or is related to this Agreement, or the breach of this Agreement, and if the dispute cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by mediation under the Commercial Mediation Rules of the American Arbitration Association. Thereafter, either party shall have the right to request arbitration by giving written notice thereof to the other party, and in such event such arbitration shall be conducted by one arbitrator in accordance with the rules of the American Arbitration Association. The arbitrator selected shall be a competent person experienced in the subject matter of the issue in dispute to make such determination. The reasonable compensation of the arbitrator and the cost of arbitration shall be borne equally by the parties. During arbitration, and as a condition to such arbitration, the parties shall have limited discovery rights as directed by the arbitrator. Any award or determination made by the arbitrator may, upon application of either party to any court of competent jurisdiction, be reduced to judgment by such court. The location of any such arbitration hearing shall be in Chicago, Illinois.

Section 11.2. Injunctive Relief. Notwithstanding the agreement to resolve disputes and controversies by arbitration, as set forth and described in Section 11.1 above, Purchaser and Seller also agree that they shall each have the right to seek injunctive relief in the event they believe they are about to suffer or incur irreparable harm where money damages alone would be insufficient. In the event injunctive relief is sought and not obtained, then the party who sought injunctive relief shall be obligated to reimburse the other party for any costs or expenses incurred by them, including reasonable attorney fees and court costs, in defending against such action.

ARTICLE 12
SURVIVAL; INDEMNIFICATION; TERMINATION

Section 12.1. Survival of Representations and Warranties Until Closing. The representations and warranties of the parties in this Agreement shall terminate two (2) years after Closing.

Section 12.2. Indemnification by Seller. Seller agrees to indemnify and hold Purchaser and their respective officers, managers, members, partners, employees, agents, successors and assigns, harmless against and in respect of any and all damages, which Purchaser or any such indemnitee may suffer, incur or become subject to arising out of, based upon or otherwise in respect of: (a) any inaccuracy in or breach of any representation or warranty of Seller made in or pursuant to this Agreement or any other agreement, certificate or document entered into in connection with the transactions contemplated hereunder; (b) any breach or nonfulfillment of any covenant or obligation of Seller contained in this Agreement or any other agreement, certificate or document entered into in connection with the transactions contemplated hereunder; (c) any liability of Seller not expressly assumed by Purchaser hereunder, including liabilities which are due by Seller to vendors or suppliers which are critical to the continued business and success of the Business or (d) any liability relating to the UCC filings naming Bank Leumi as secured party and either Seller as debtor, including, without limitation, all costs and expenses associated with releasing such filings.

Section 12.3. Indemnification by Purchaser. Purchaser shall indemnify and hold each Seller and each of their officers, directors, shareholders, agents, successors, and assigns harmless against and in respect of any and all damages which Seller or any such indemnitee may suffer, incur or become subject to arising out of, based upon or otherwise in respect of: (a) any inaccuracy in or breach of any representation or warranty of Purchaser made in or pursuant to this Agreement or any other agreement, certificate or document entered into in connection with the transactions contemplated hereunder, and (b) any breach or nonfulfillment of any covenant or obligation of Purchaser contained in this Agreement or any other agreement, certificate or document entered into in connection with the transactions contemplated hereunder.

Section 12.4. Inter-Party Claims. Any party seeking indemnification pursuant to this Section (the "Indemnified Party") shall promptly notify in writing the other party or parties from whom such indemnification is sought (the "Indemnifying Party") of the Indemnified Party's assertion of such claim for indemnification, specifying the basis of such claim. The Indemnified Party shall thereupon give the Indemnifying Party reasonable access to the books, records and assets of the Indemnified Party which evidence or support such claim or the act, omission or occurrence giving rise to such claim and the right, upon prior notice during normal business hours, to interview any appropriate personnel of the Indemnified Party related thereto.

Section 12.5. Third Party Claims.

(a) Each Indemnified Party shall promptly notify the Indemnifying Party of the assertion by any third party of any claim with respect to which the indemnification set forth in this Section relates. The Indemnifying Party shall have the right, upon notice to the Indemnified Party within twenty (20) business days after the receipt of any such notice, to undertake the defense of such claim with counsel reasonably acceptable to the Indemnified Party, or, with the consent of the Indemnified Party (which consent shall not unreasonably be withheld), to settle or compromise such claim. The failure of the Indemnifying Party to give such notice and to undertake the defense of or to settle or compromise such a claim shall constitute a waiver of the Indemnifying Party's rights under this Section 12.5(a) and shall preclude the Indemnifying Party from disputing the manner in which the Indemnified Party may conduct the defense of such claim or the reasonableness of any amount paid by the Indemnified Party in satisfaction of such claim.

(b) The election by the Indemnifying Party, pursuant to Section 12.5(a), to undertake the defense of a third-party claim shall not preclude the party against which such claim has been made also from participating or continuing to participate in such defense, so long as such party bears its own legal fees and expenses for so doing.

Section 12.6. Indemnification Not Exclusive Remedy. The indemnification obligations of the parties contained herein are not intended to waive or preclude any other claims, rights or remedies which may exist at law (whether statutory or otherwise) or in equity with respect to the matters covered by the indemnifications. Purchaser specifically reserves the right to set off against any amounts due to Seller for any indemnification claim Purchaser may have against Seller.

Section 12.7. Events of Termination. This Agreement may, by notice given in the manner hereinafter provided, be terminated and abandoned at any time prior to completion of the Closing, as follows:

(a) by Purchaser, if there has been a material misrepresentation or a material default or breach by Seller with respect to Seller's representations and warranties in Article 4 of this Agreement or the due and timely performance of any of the covenants or agreements of Seller contained in this Agreement, and in the case of a covenant or agreement default or breach, such default or breach shall not have been cured within thirty (30) days after receipt by Seller of notice specifying particularly such default or breach;

(b) by Seller if there has been a material misrepresentation or a material default or breach by Purchaser with respect to Purchaser's representations and warranties in Article 3 of this Agreement or the due and timely performance of any of the covenants or agreements of Purchaser contained in this Agreement, and in the case of a covenant or agreement default or breach, such default or breach shall not have been cured within thirty (30) days after receipt by Purchaser of notice specifying particularly such default or breach;

(c) by either party at any time after February 28, 2017, if the Closing has not occurred and the party seeking to terminate this Agreement is not in material breach or default of any provisions of this Agreement; or

(d) by unanimous agreement of both parties.

This Agreement may not be terminated after completion of the Closing.

Section 12.8. Effect of Termination. In the event this Agreement is terminated pursuant to Section 12.7 of this Agreement, all obligations of the parties shall terminate without any liability of a party.

Section 12.9. Limitation on Liability. Notwithstanding anything to the contrary contained herein, except as hereinafter provided, the aggregate liability of Purchaser for indemnification of losses and expenses pursuant to Section 12.3 shall not exceed an amount equal to the Purchase Price actually paid through the date an indemnification claim arises. Notwithstanding anything to the contrary contained herein, and except as hereinafter provided, the aggregate liability of Seller for indemnification of losses and expenses pursuant to Section 12.2 shall not exceed an amount equal to the Purchase Price actually paid through the date an indemnification claim arises. No limitation shall exist for any party for any claims based on fraud. Likewise, no limitation shall exist for any party for any claims resulting from bad faith breaches of this Agreement. Finally, no limitation shall apply for any breach of confidentiality or privacy issues.

ARTICLE 13
MISCELLANEOUS

Section 13.1. Notices. All notices shall be in writing and shall be delivered personally, sent by e-mail transmission or sent by certified, registered or express mail, postage prepaid as follows:

If to Purchaser:	HWN, Inc. Attn: Mark Porter 30 N. Lincoln St. Suite G Batavia, IL 60510
with a copy to:	Daniel Coman, Esq. Ice Miller, LLP 2300 Cabot Drive, Ste. 455 Lisle, IL 60532 Daniel.Coman@icemiller.com
If to Seller:	InterCloud Systems, Inc. 1030 Broad Street, Suite 102 Shrewsbury, NJ 07702 Attn.: Tim Larkin E-mail: tlarkin@InterCloudsys.com

with a copy to: Pryor Cashman LLP
7 Times Square
New York, NY 10036
Attn.: M. Ali Panjwani, Esq.
E-mail: ali.panjwani@pryorcashman.com

or to such other address as may have been designated in a prior notice. Notices sent by registered or certified mail, postage prepaid, return receipt requested, shall be deemed to have been given two (2) business days after being mailed, and otherwise notices shall be deemed to have been given when received by the Person to whom the notice is addressed or any other Person with apparent authority to accept notices on behalf of the Person to whom the notice is addressed.

Section 13.2. Binding Effect. Except as may be otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement is intended or shall be construed to confer on any Person other than the parties any rights or benefits hereunder.

Section 13.3. Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

Section 13.4. Schedules and Exhibits. The Schedules and Exhibits referred to in this Agreement shall be deemed to be a part of this Agreement.

Section 13.5. Counterparts. This Agreement may be executed in multiple

counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same document.

Section 13.6. Governing Law; Jurisdiction. This Agreement shall be governed by and construed under Illinois law, without regard to conflict of laws principles. Except for injunctive relief, all disputes shall be resolved by arbitration as provided in Section 11.1. In the event a party should seek injunctive relief or the enforcement of an arbitrator's award, each of the parties agrees that any such action may be commenced in the state courts located in DuPage County, Illinois, or if there exists a basis for federal jurisdiction, the United States District Court for the Northern District of Illinois, and such court shall have the sole and exclusive jurisdiction over any such proceeding. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties waive any objection to such venue. The parties consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts.

Section 13.7. Waivers. Compliance with the provisions of this Agreement may be waived only by a written instrument specifically referring to this Agreement and signed by the party waiving compliance. No course of dealing, nor any failure or delay in exercising any right, shall be construed as a waiver, and no single or partial exercise of a right shall preclude any other or further exercise of that or any other right.

Section 13.8. Pronouns. The use of a particular pronoun herein shall not be restrictive as to gender or number but shall be interpreted in all cases as the context may require.

Section 13.9. No Strict Construction. The language used in this Agreement has been negotiated by the parties and shall not be construed against either party.

Section 13.10. Modification. No supplement, modification or amendment of this Agreement shall be binding unless made in a written instrument which is signed by all of the parties and which specifically refers to this Agreement. Further, this Agreement may be restated in its entirety if mutually agreed by all Parties.

Section 13.11. Miscellaneous Covenants.

(a) Expenses. Each party shall pay all of its own expenses incident to the transactions contemplated by this Agreement.

(b) No Assignment. No assignment by any party of this Agreement or any right or obligation hereunder may be made without the prior written consent of the other party and any assignment attempted without that consent will be void.

Section 13.12. Further Assurances. The parties shall cooperate reasonably with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated hereunder.

Section 13.13. Public Announcements. Other than as may be required by federal securities laws, any public announcement, press release or similar publicity with respect to this Agreement or the transactions contemplated hereunder will be issued, if at all, at such time and in such manner as Purchaser and Seller determine. The parties will consult with each other concerning and mutually agree upon the means by which Seller's employees, customers, suppliers and others having dealings with Seller will be infointed of the transactions contemplated hereunder.

Section 13.14. Entire Agreement. This Agreement and the agreements and documents referred to in this Agreement or delivered hereunder are the exclusive statement of the agreement among the parties concerning the subject matter hereof. All negotiations among the parties are merged into this Agreement, and there are no representations, warranties, covenants, understandings or agreements, oral or otherwise, in relation thereto among the parties other than those incorporated herein and to be delivered hereunder.

INTENDING TO BE LEGALLY BOUND, the parties have signed this Agreement as of the date first above written.

HWN, INC.

By: /s/ Mark W. Porter
Name Mark W. Porter
Title: President and CEO

ADEX CORPORATION

By: _____
Name _____
Title: _____

INTERCLOUD SYSTEMS, INC.

By: _____
Name _____
Title: _____

INTENDING TO BE LEGALLY BOUND, the parties have signed this Agreement as of the date first above written.

HWN, INC.

By: _____
Name _____
Title: _____

ADEX CORPORATION

By: /s/ Daniel Sullivan
Name Daniel Sullivan
Title: Chief Financial Officer

INTERCLOUD SYSTEMS, INC.

By: /s/ Daniel Sullivan
Name Daniel Sullivan
Title: Chief Accounting Officer

SCHEDULES AND EXHIBITS

EXHIBITS:

Exhibit 1.1	-	Bill of Sale
Exhibit 1.5(b)(i)	-	Payment Statement
Exhibit 1.5(f)	-	Purchase Price Allocation
Exhibit 3.2	-	Purchaser Resolutions
Exhibit 4.2	-	Seller Resolutions

SCHEDULES:

Schedule 1.1(a)	-	Accounts Receivable
Schedule 1.1(b)	-	Transferred Assets
Schedule 1.1(f)	-	Intellectual Property
Schedule 1.1(g)	-	Assigned Contracts
Schedule 1.1(h)	-	Work-In-Progress
Schedule 1.3(a)(i)	-	Accounts Payable
Schedule 1.3(a)(v)	-	Accrued Commissions and Other Unpaid Accrued Expenses
Schedule 1.4	-	Listing of Key Employees
Schedule 4.3	-	Consents
Schedule 4.7	-	Financial Statements of Seller
Schedule 5.9	-	Seller’s Schedule of Liabilities
Schedule 6.3	-	Purchaser’s Schedule of Liabilities

Exhibit 10.2

CONSENT

This Consent **("Consent"),** dated as of February 28, 2017, is made by JGB (Cayman) Waltham Ltd. **("JGBWL")** and the JGB (Cayman) Concord Ltd. **("JGBCL"** and together, the **"Holders"** and each a **"Holder")** in favor of interCloud Systems, Inc., a Delaware corporation (the **"Company")** and the guarantor's executing this consent (the **"Guarantors").**

WHEREAS, JGBWL is the holder of that certain Third Amended and Restated Senior Secured Convertible Debenture due May 31, 2019 (the **"Debenture");**

WHEREAS, JGBCL is the holder of that certain Second Amended and Restated Senior Secured Convertible Note due May 31, 2019 (the **"Note");**

WHEREAS, the Company is liable to JGBCL in the amount of $814,500 pursuant to Section 4 of that certain Acknowledgement, dated as of June 23, 2016, by and among the Holders, the Company and VaultLogix, LLC (the **"True-Up Payment");**

WHEREAS, the Company, ADEX Corporation (a wholly-owned subsidiary of the Company and a guarantor of the Note and the True-Up Payment) **("Seller")** and HWN, Inc. **("HWN")** intend to enter into an Asset Purchase Agreement in substantially the form attached hereto as Exhibit A (the **"High Wire Agreement")** whereby, among other things, Seller will sell certain assets to HWN (the **"High Wire Sale");**

WHEREAS, each Article 7 of the Debenture and Article 7 of the Note prohibit the Company and Seller from entering into High Wire Agreement and consummating the High Wire Sale without the prior written approval of the Holders;

WHEREAS, the Company and Seller desire to apply a portion of the gross proceeds from the High Wire Sale equal to $3,625,000, first, to the payment in full of the True-Up Payment, second, to accrued and unpaid interest under the Note, in the amount of $32,170, and third, to the partial prepayment of $2,525,754.54 the Note pursuant to Section 2(d) thereof for a prepayment amount of $2,778,330 (together, the **"Payments");**

WHEREAS, the Holders are willing to consent to the High Wire Sale in consideration of JGBCL's receipt of the Payments; and

WHEREAS, pursuant to Section 9(e) of the Debenture and Section 9(e) of the Note, the consent requested by the Company to permit the High Wire Sale and the Company's and Seller's entry into the High Wire Agreement must be contained in a written agreement signed by the Company and the Holders;

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

I. Consent. As of the Effective Date (defined below), notwithstanding the provisions of Section 7(a)(iv) of the Debenture and Section 7(a)(iv) of the Note, the Holders hereby consent to the Company's and the Seller's entry into the High Wire Agreement and the High Wire Sale (collectively, the **"Transaction").** The Holders further consent to the filing by Seller or any of its designees of a partial release with the Delaware and New York Secretaries of State on form UCC-3 (which shall be subject to the prior review and comment of the Holders), deleting from the collateral the Transferred Assets, as defined and described in the High Wire Agreement, upon confirmation of receipt by Holders of the Payments.

2 . Limitation of Consent. Without limiting the generality of Section 9(e) of the Debenture, the consent set forth above shall be limited precisely as written and relates solely to the provisions of Section 7(a)(iv) of the Debenture and Section 7(a)(iv) of the Note in the manner and to the extent described above and nothing in this Consent shall be deemed to:

(a) Constitute a waiver of compliance by the Company or any Guarantor with respect to any other term, provision or condition of the Debenture, the Note or any other instrument or agreement executed by the Company or any Guarantor in connection therewith; or

(b) Prejudice any right or remedy the Holders may have in the future under or in connection with the Debenture, the Note or any other instrument or agreement executed by the Company or any Guarantor in connection therewith.

3 . Conditions Precedent. This Consent shall become effective upon the date (the **"Effective Date")** on which the Company has executed and delivered the High Wire Agreement and any and all documents, certificates, instructions, requests, or other instruments required to be delivered thereunder, to HWN. The Company and Seller shall cause HWN's lenders to deliver the Payments directly JGBCL. This Consent shall automatically be deemed to be rescinded and of no further force and effect if the Payments have not been received by JGBCL by February 28, 2017.

4. Amendments.

a. Section 1 of the Debenture is hereby amended by replacing the reference to "$0.2043" in the definition of "Fixed Conversion Price" with "$0.04."

b. Section 4(b) of the Debenture is amended and restated in its entirety as follows:

"(b) Conversion Price. The conversion price (the "Conversion Price") in effect on any Conversion Date shall be equal to the lower of: (a) the Fixed Conversion Price and (b) 80% of the lowest daily VWAP for the thirty (30) consecutive Trading Day period immediately preceding the applicable Conversion Date."

c. Section 1 of the Nate is hereby amended by replacing the reference to "$0.2043" in the definition of "Fixed Conversion Price" with "$0.04."

d. Section 4(b) of the Note is hereby amended and restated in its entirety as follows:

"(b) Conversion Price. The conversion price (the "Conversion Price") in effect on any Conversion Date shall be equal to the lower of: (a) the Fixed Conversion Price and (b) 80% of the lowest daily VWAP for the thirty (30) consecutive Trading Day period immediately preceding the applicable Conversion Date."

e. Section 15(e) of the Amended and Restated Senior Secured Note issued May 17, 2016, by the Company in favor of JGBWL (the "Baby Note") is amended by replacing the reference to "$0.2043" therein with "$0.04."

f. Section 2(b) of the Baby Nate, is amended and restated in its entirety as follows:

"(b) Conversion Price. The conversion price (the "Conversion Price") in effect on any Conversion Date shall be equal to the lower of: (a) the Fixed Conversion Price and (b) 80% of the lowest daily VWAP for the thirty (30) consecutive Trading Day period immediately preceding the applicable Conversion Date."

5 . No Modifications. Except as set forth in Section 4, nothing contained in this Consent shall be deemed or construed to amend, supplement or modify the Debenture, the Note or any other instrument or agreement executed by the Company or any Guarantor in connection therewith, or otherwise affect the rights and obligations of any party thereto, all of which remain in full force and effect.

6. Representations and Warranties. The Company represents and warrants to the Holders that, as of the date hereof, (i) no Event of Default under the Debenture or the Note has occurred or is continuing and (ii) the Company and each Guarantor has complied in all material respects with their respective obligations under any and all instruments or agreements executed by the Company or any Guarantor in connection with the transactions contemplated by the Debenture and the Note.

7. Successors and Assigns. This Consent shall inure to the benefit of and be binding upon the Company and the Holders, and each of their respective successors and assigns.

8. Governing Law. This Consent shall be governed by, and construed in accordance with, the laws of the State of New York. The parties agree that the state and federal courts located in New York County, New York shall have exclusive jurisdiction over any action, proceeding or dispute arising out of this Consent and the parties submit to the personal jurisdiction of such courts.

9. Counterparts. This Consent may be executed in any number of counterparts, all of which shall constitute one and the same agreement, and any party hereto may execute this Consent by signing and delivering one or more counterparts. Delivery of an executed counterpart of this Consent electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Consent.

10. Disclosure. Company confirms that neither it nor any other person or entity acting on its behalf has provided Holders or their counsel with any information that constitutes or might constitute material, nonpublic information. The Company will disclose the material terms of this Consent and the transactions contemplated hereby by not later than 8 a.m. on March 1, 2018, or such earlier time as may be required by law, by means of a Current Report on Form 8-K filed with the Securities and Exchange Commission. Such Current Report on Form 8-K shall include the High Wire Agreement, and any other material agreement related to the foregoing. The Current Report on Form 8-K shall be subject to the prior review and comment of the Holders. From and after the filing of the Current Report on Form 8-K with the Securities and Exchange Commission, the Company acknowledges and agrees that the Holders shall not be in possession of any material, nonpublic information received from the Company or any person acting on its behalf.

11. Expense Reimbursement. The Company shall have reimbursed the Holders for the fees of its outside counsel in the sum of $65,000 by wire transfer of immediately available funds to the account of outside counsel provided to the Company.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Consent as of the date first above written.

lnterCloud Systems, Inc., as Company

By /s/ Daniel Sullivan

Name: Daniel Sullivan
Title: Chief Accounting Officer

JGB (Cayman) Waltham Ltd., as Holder

By /s/ Brett Cohen

Name: Brett Cohen
Title: President

JGB (Cayman) Concord Ltd., as Holder

By /s/ Brett Cohen

Name: Brett Cohen
Title: President

ACKNOWLEDGED:

T N S, INC.

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

ADEX CORPORATION

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Financial Officer

RENTYM INC.

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

ADEXCOMM CORPORATION

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Financial Officer

AW SOLUTIONS PUERTO RICO, LLC

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

RIVES MONTEIRO ENGINEERING, LLC

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

VAULTLOGIX, LLC

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

INTEGRATION PARTNERS – NY CORPORATION

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

AW SOLUTIONS, INC.

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

ADEX PUERTO RICO LLC

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Financial Officer

TROPICAL COMMUNICATIONS, INC.

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

RIVES MONTEIRO LEASING, LLC

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

NOTTINGHAM ENTERPRISES, LLC

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Its: Chief Accounting Officer

[GUARANTOR ACKNOWLEDGEMENT TO CONSENT DATED FEBRUARY [__], 2017]

Exhibit 10.3

SECURITIES EXCHANGE AGREEMENT

This SECURITIES EXCHANGE AGREEMENT (this ***"Agreement")*** is made effective as of February 28, 2017, by and between InterCloud Systems, Inc. (the ***"Company"),*** and JGB (Cayman) Waltham Ltd. ***("JGBWL").***

RECITALS

WHEREAS, the Company and JGBWL are parties to the Securities Purchase Agreement dated as of December 29, 2015 (as may be amended, amended and restated, supplemented or otherwise modified from time to time, the ***"Securities Purchase Agreement")*** pursuant to which the Company and JGBWL have certain rights and obligations; and

WHEREAS, the Company and JGBWL have agreed to enter into this Agreement pursuant to which JGBWL's additional investment rights under Section 4.13 of the Securities Purchase Agreement (the ***"AIR")*** are exchanged for a warrant to purchase shares of the Company's common stock in substantially the form set forth in Exhibit A hereto (the ***"Warrant");***

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, intending to be legally bound, the parties hereto agree as follows:

AGREEMENT

ARTICLE I. EXCHANGE

1.01 Warrant. On the date of this Agreement, the Company will execute and deliver the Warrant to JGBWL.

1 . 0 2 Additional Investment Right. Upon receipt of the Exchange Consideration (as defined below), JGBWL will transfer, convey and assign all rights and obligations to the AIR under Section 4.13 of the Securities Purchase Agreement to the Company.

1.03 Legal Opinion. On the date of this Agreement, counsel to the Company shall issue a legal opinion opining that the exchange contemplated hereby is exempt from registration under Section 3(a)(9) of the Securities Act of 1933, as amended (the ***"Securities Act').***

ARTICLE II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to JGBWL as of the date hereof as follows:

2.01 Organization, Good Standing and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power to own, lease and operate its properties and assets and to conduct its business as it is now being conducted.

2.02 Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and perform this Agreement, the Warrant, and each other agreement, instrument and certificate executed and delivered by the Company in connection with the foregoing (collectively, the ***"Operative Documents")*** and to issue the Warrant in accordance with the terms hereof. The execution, delivery and performance of the Operative Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action, and no further consent or authorization of the Company or its Board of Directors or stockholders is required. When executed and delivered by the Company, each of the Operative Documents shall constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

2.03 Issuance of Shares. When the shares underlying the Warrant (the ***"Warrant Shares")*** are issued in accordance with the terms of the Warrant, the Warrant Shares shall be validly issued and outstanding, fully-paid, non-assessable and free any clear of all liens, of any pre-emptive rights and rights of refusal of any kind.

2.04 No Conflicts. The execution, delivery and performance of the Operative Documents by the Company, the performance by the Company of its obligations under the Operative Documents, and the consummation by the Company of the transactions contemplated by the Operative Documents, and the issuance of the Warrant Shares as contemplated by the Operative Documents, do not and will not (i) violate or conflict with any provision of the Company's Certificate of incorporation (the ***"Certificate of Incorporation")*** or Bylaws (the ***"Bylaws"),*** each as amended to date, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries' respective properties or assets are bound, (iii) result in a violation of any foreign, federal, state or local statute, law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries are bound or affected, or (iv) create or impose a lien, mortgage, security interest, charge or encumbrance of any nature below (each, a ***"Lien")*** on any property or asset of the Company or its subsidiaries under any agreement or any commitment to which the Company or any of its subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or by which any of their respective properties or assets are bound, except, in the case of clauses (ii), (iii) and (iv), for such conflicts, defaults, terminations, amendments, violations, acceleration, cancellations, creations and impositions as would not, individually or in the aggregate, reasonably be expected to have or result in any material adverse effect on the business, operations, properties, prospects, or condition (financial or otherwise) of the Company and its subsidiaries taken as a whole and/or any condition, circumstance, or situation that would prohibit in any material respect the ability of the Company to perform any of its obligations under this Agreement or any of the other Operative Documents in any material respect. Neither the Company nor any of its Subsidiaries is required under foreign, federal, state or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under the Operative Documents or issue the Warrant in accordance with the terms hereof.

2.05 SEC Documents, Financial Statements. The common stock of the Company is registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the ***"1934 Act"),*** and, since January I, 2013, the Company has timely filed (or has received a valid extension of such time of filing and has filed any such reports prior to the expiration of any such extension) all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the 1934 Act (all of the foregoing including f0ilings incorporated by reference therein being referred to herein as the ***"SEC Documents").*** At the times of their respective filings, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder. The SEC Documents did not, and do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with Regulation S-X and all other published rules and regulations of the SEC. Such financial statements have been prepared in accordance with generally accepted accounting principles ***("GAAP')*** applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements), and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company has no reason to believe that it will not timely file its Annual Report on From 10-K for the year ended December 31, 2016, or its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017.

2.06 Disclosure. Following the issuance of the press release referred to in Section 4.04, except for the information concerning the transactions contemplated by this Agreement, the Company confirms that neither it nor any other person or entity acting on its behalf has provided JGBWL or its agents or counsel with any information that constitutes or might constitute material, nonpublic information. The Company understands and confirms that JGBWL will rely on the foregoing representation in effecting transactions in the securities of the Company.

2.07 Holding Period. Pursuant to Rule 144 promulgated under the Securities Act, the holding period of the Warrant tacks back to December 29, 2015. The Company agrees not to take a position contrary to this paragraph. The Company agrees to take all actions, including, without limitation, the issuance by its legal counsel of any legal opinions to JGBWL or the Company's transfer agent, necessary to issue the Warrant Shares without restriction and not containing any restrictive legend without the need for any action by JGBWL in connection with a sale of the Warrant Shares by JGBWL. The Warrant (the ***"Exchange Consideration")*** is being issued in substitution and exchange for and not in satisfaction of all rights and obligations under Section 4.13 of the Securities Purchase Agreement.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF THE HOLDER

JGBWL represents and warrants to the Company as of the date hereof as follows:

3.01 Organization and Standing of JGBWL. JGBWL is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

3.02 Authorization and Power. JGBWL has the requisite power and authority to enter into and perform the Operative Documents. The execution, delivery and performance of the Operative Documents by JGBWL and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and no further consent or authorization of JGBWL or its managers or members is required. When executed and delivered by JGBWL, the Operative Documents shall constitute valid and binding obligations of JGBWL enforceable against JGBWL in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

ARTICLE IV. COVENANTS AND AGREEMENTS

Unless otherwise specified in this Article, for so long as the Warrant and/or the Warrant Shares are outstanding, the Company and JGBWL hereby covenant to each other:

4.01 Compliance with Laws; Commission. The Company shall take all necessary actions and proceedings as may be required by applicable law, rule and regulation, for the legal and valid issuance (free from any restriction on transferability under federal securities laws) of the Warrant Shares to JGBWL or the subsequent holders.

4.02 Registration and Listing. The Company shall cause its common stock to continue to be registered under Sections 12(g) or Section 12(b) of the 1934 Act, to comply in all material respects with its reporting and filing obligations under the 1934 Act and to not take any action or file any document (whether or not permitted by the Securities Act or the rules promulgated thereunder) to terminate or suspend such registration or to terminate or suspend its reporting and filing obligations under the 1934 Act or Securities Act even if the rules and regulations thereunder would permit such termination. Without limiting the foregoing, the Company shall take all necessary action to satisfy the requirements of Rule I44(c)(l) and Rule 144(i)(2).

4.03 Pledge of Warrant Shares. The Company acknowledges and agrees that the Warrant Shares may be pledged by JGBWL in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Warrant Shares. The pledge of the Warrant Shares shall not be deemed to be a transfer, sale or assignment of the Warrant Shares hereunder, and JGBWL shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Operative Document. The Company, at JGBWL's expense hereby agrees to execute and deliver such documentation as JGBWL may reasonably request in connection with a pledge of the Warrant Shares by JGBWL.

4.04 Disclosure of Transaction. The Company shall on or before 8:00 a.m. eastern time on March 1, 2017, file a Current Report on Form 8-K, disclosing the material terms of this Agreement, with the SEC. From and after the issuance of the press release, the Company represents to JGBWL that it shall have publicly disclosed all material, non-public information delivered to JGBWL by the Company, or any of their respective officers, directors, employees or agents.

4.5 Further Assurance. JGBWL shall, at any time after the receipt of the Warrant, promptly (i) execute (to the extent necessary) and deliver all commercially reasonable documents and instruments reasonably required to assign, convey and transfer the AIR and related rights and obligations under Section 4.13 of the Securities Purchase Agreement to the Company. The foregoing shall be at the Company's sole expense.

ARTICLE V. MISCELLANEOUS

5.01 Fees and Expenses. The Company shall reimburse JGBWL for all costs and expenses incurred by JGBWL in connection with the negotiation, drafting and execution of the Operative Documents and the transactions contemplated thereby (including all reasonable legal fees, travel, disbursements and due diligence in connection therewith and all fees incurred in connection with any necessary regulatory filings and clearances). In addition, the Company shall pay all reasonable fees and expenses incurred by JGBWL in connection with the enforcement of this Agreement or any of the other Operative Documents, including, without limitation, all reasonable attorneys' fees and expenses; *provided, however,* that in the event that the enforcement of this Agreement is contested and it is finally judicially determined that JGBWL was not entitled to the enforcement of the Operative Document sought, then JGBWL shall reimburse the Company for all fees and expenses paid pursuant to this sentence. The Company shall be responsible for its own fees and expenses incurred in connection with the transactions contemplated by this Agreement. The Company shall pay all fees of its transfer agent, stamp taxes and other taxes and duties levied in connection with the delivery of the Warrant and/or the Warrant Shares to JGBWL. This provision shall survive termination of this Agreement and the Operative Documents.

5.02 Specific Performance; Consent to Jurisdiction; Venue.

(a) The Company and JGBWL acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement or the other Operative Documents were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement or the other Operative Documents and to enforce specifically the terms and provisions hereof or thereof without the requirement of posting a bond or providing any other security, this being in addition to any other remedy to which any of them may be entitled by law or equity.

(b) The parties agree that venue for any dispute arising under this Agreement will lie exclusively in the state or federal courts located in New York County, New York, and the parties irrevocably waive any right to raise forum non conveniens or any other argument that New York is not the proper venue. The parties irrevocably consent to personal jurisdiction in the state and federal courts in New York County of the state of New York. The Company and JGBWL consent to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 5.02 shall affect or limit any right to serve process in any other manner permitted by law. The parties hereby waive all rights to a trial by jury.

(c) Notwithstanding the foregoing, the parties agree that venue for any dispute arising under this Agreement with respect to any security interests and liens that JGBWL may have on any property of the Company or any of its direct or indirect subsidiaries located in the United Kingdom or subject to the jurisdiction of English courts will lie exclusively in the English courts located in London, England, and the parties irrevocably waive any right to raise forum non conveniens or any other argument that such courts are not the proper venue.

5.03 Amendment. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company and JGBWL.

5.04 Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur or (c) upon delivery by e-mail (if delivered on a Business Day during normal business hours where such notice is to be received) upon recipient's actual receipt and acknowledgement of such e-mail. The addresses for such communications shall be:

If to the Company:

InterCloud Systems, Inc.
1030 Broad Street, Suite 102
Shrewsbury, NJ 07702
Attention: Chief Financial Officer
Telephone: (732) 898-6320
Facsimile No.:
Email: tlarkin@intercloudsys.com and
dsullivan@intercloudsys.com

If to JGBWL:

JGB (Cayman) Cambridge Ltd.
c/o JGB Management Inc.
21 Charles Street, Suite 160
Westport, CT 06880
Attention: Brett Cohen
Telephone No.: (212) 355-5771
Facsimile No.: (212) 253-4093
E-mail: bcohen@jgbcap.com

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

5.05 Waivers. No waiver by either party of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

5.06 Headings. The article, section and subsection headings in this Agreement are for convenience only and shall not constitute a part of this Agreement for any other purpose and shall not be deemed to limit or affect any of the provisions hereof.

5.07 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. JGBWL may assign the Warrant and/or the Warrant Shares and its rights under this Agreement and the other Operative Documents and any other rights hereto and thereto without the consent of the Company. The Company may not assign or delegate any of its rights or obligations hereunder or under any Operative Document.

5.08 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person or entity.

5.09 Governing Law. This Agreement shall be governed by and construed in accordance with the internal Jaws of the State of New York, without giving effect to any of the conflicts of law principles that would result in the application of the substantive law of another jurisdiction. This Agreement shall not be interpreted or construed with any presumption against the party causing this Agreement to be drafted.

5.10 Survival. The covenants, agreements and representations and warranties of the Company under the Operative Documents shall survive the execution and delivery hereof indefinitely.

5.11 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and shall become effective when counterparts have been signed by each party and delivered to the other parties hereto, it being understood that all parties need not sign the same counterpart. Signature pages to this Agreement may be delivered by facsimile or other means of electronic transmission.

5.12 Publicity. Subject to Section 4.04, the Company agrees that it will not disclose, and will not include in any public announcement, the names of JGBWL without the consent of JGBWL, which consent shall not be unreasonably withheld or delayed, or unless and until such disclosure is required by law, rule or applicable regulation, and then only to the extent of such requirement. Notwithstanding the foregoing, JGBWL consents to being identified in any filings the Company makes with the SEC to the extent required by law or the rules and regulations of the SEC.

5.13 Severability. The provisions of this Agreement are severable and, in the event that any court of competent jurisdiction shall determine that any one or more of the provisions or part 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 provision or part of a provision of this Agreement and this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision, or part of such provision, had never been contained herein, so that such provisions would be valid, legal and enforceable to the maximum extent possible.

5.14 Further Assurances. From and after the date of this Agreement, upon the request of JGBWL or the Company, the Company and JGBWL shall execute and deliver such instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement and the other Operative Documents. Except as provided herein with respect to Section 4.13 of the Securities Purchase Agreement, JGBWL's rights and remedies under the Securities Purchase Agreement remain unmodified and in full force and effect.

5.15 Time Is of the Essence. Time is of the essence of this Agreement and each Operative Document.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Exchange Agreement to be duly executed by their respective authorized officers as of the date first above written.

INTERCLOUD SYSTEMS, INC.

By: /s/ Daniel Sullivan
Name: Daniel Sullivan
Title: Chief Accounting Office

JGB (CAYMAN) WALTHAM LTD.

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF WARRANT

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

INTERCLOUD SYSTEMS, INC.

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, JGB (Cayman) Waltham Ltd. or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after February 28, 2017 (the "Initial Exercise Date") and on or prior to the close of business on November 28, 2018 (the "Termination Date") but not thereafter, to subscribe for and purchase from InterCloud Systems, Inc., a Delaware corporation (the "Company"), up to that number of shares of Common Stock (as defined below) that would result in the Company receiving aggregate proceeds from the exercise of this Warrant of $1,000,000 (as subject to adjustment hereunder, the "Warrant Shares"). For purposes of the immediately preceding sentence, in the event of a "cashless exercise" of this Warrant pursuant to Section 2(c), the Company shall be deemed to have received proceeds equal to the amount of cash that it would have received if this Warrant had been exercised for cash. The purchase price of one share of common stock of the Company, par value $0.0001 per share, (the "Common Stock") under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant has been issued pursuant to that certain Securities Exchange Agreement (the "Exchange Agreement"), dated February 28, 2017, and, accordingly, shall be deemed to have an original issue date of December 29, 2015.

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Warrant, the following terms shall have the following meanings:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

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

"Fixed Price" means $0.04, subject to adjustment as provided herein.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Rule 144" means Rule 144 promulgated by the United States Securities and Exchange Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Subsidiary" means any subsidiary of the Company existing on the date hereof and any subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, or any U.S. trading market operated by the OTC Markets Group, Inc. (or any successors to any of the foregoing).

"Transfer Agent" means Corporate Stock Transfer, Inc., the current transfer agent of the Company, with a mailing address of 3200 Cherry Creek South Drive, Suite 430, Denver, Colorado 80209 and a facsimile number of (303) 282-5800, and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise") and within three (3) Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank or pursuant to the cashless exercise procedure specified in Section 2(c) below. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant on the date that any exercise of this Warrant is effected (such date, an "Exercise Date") shall be equal (x) if the Exercise Date is prior to May 29, 2017, the Fixed Price then in effect and (y) if the Exercise Date is on or after May 29, 2017, the lower of: (a) the Fixed Price then in effect and (b) 80% of the lowest daily VWAP for the thirty (30) consecutive Trading Day period immediately preceding the applicable Exercise Date.

c) Cashless Exercise. If at any time the Initial Exercise Date there is no effective registration statement under the Securities Act of 1933, as amended, registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, this Warrant may also be exercised, in whole or in part, at any time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is one (1) Trading Day after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Notwithstanding anything contained herein to the contrary, the Company shall deliver any certificate or certificates required to be delivered by the Company under this Section 2(d) electronically through DTC without any restrictive legends provided that (i) (x) the Holder elected to exercise this Warrant by means of a "cashless exercise" and the Company is in compliance with the current public information requirements of Rule 144 or (y) there is an effective registration statement covering the resale of the Warrant Shares by the Holder and (ii) the Holder has delivered to the Company a broker representation letter that the shares of Common Stock represented by such certificates have been sold pursuant to Rule 144 or such effective registration statement. The Company shall cause, at their own expense, Pryor Cashman LLP to provide any legal opinions required to deliver shares free of restrictive legends pursuant to this Section 2(d). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by "cashless exercise", if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the second Trading Day following the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after such second Trading Day following the Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v . No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

v i . Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the United States Securities and Exchange Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Fixed Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Intentionally Omitted.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Fixed Price. Whenever the Fixed Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Fixed Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register (as defined below) of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the United States Securities and Exchange Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any laws that would require the applications of the laws of another jurisdiction. The Company and the Holder submit to the exclusive jurisdiction of the state and federal courts located in New York County, New York for any action dispute or proceeding arising out of this Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered to the holder by overnight mail to c/o JGB Management, Inc. 21 Charles Street, Westport, CT 06880 and by e-mail to bcohen@jgbcap.com.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

1) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

INTERCLOUD SYSTEMS, INC.

By: /s/ Timothy A. Larkin
Name: Timothy A. Larkin
Title: CFO

NOTICE OF EXERCISE

TO: INTERCLOUD SYSTEMS, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Exercise Price: $ _____

(3) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or
☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(4) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____
_____
_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity:

_____

Signature of Authorized Signatory of Investing Entity:

_____

Name of Authorized Signatory:

_____

Title of Authorized Signatory:

_____

Date:

_____

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Dated:_____,___
Holder's Signature: _____
Holder's Address: _____

Exhibit 99.1

InterCloud Reduces Convertible Debt with the sale of High Wire Business Division

NEW YORK, Feb. 28, 2017 (GLOBE NEWSWIRE) -- InterCloud Systems, Inc. (the "Company" or "InterCloud") (NASDAQ:ICLD), a leading provider of cloud networking orchestration and automation solutions and services, today announced the sale of the High Wire Networks division of ADEX Corporation. ADEX's High Wire division contracted with telecommunications infrastructure manufacturers to install the manufacturer's products. The asset was originally acquired by ADEX in 2014 for less than $1.0 million and accounted for approximately $11.0 million in annual revenue in 2016. Under the terms of this asset sale, InterCloud received $4.0 million in cash and is expected to receive an additional working capital adjustment of approximately $0.9 million, to be paid in six months. The proceeds from this sale were used to reduce secured outstanding debt.

Mark Munro, CEO of InterCloud stated, "The sale of this non-core business asset is a continued realignment of InterCloud's business strategy and reduction of our outstanding liabilities. This sale has given InterCloud the opportunity to continue to improve our balance sheet and reduce the amount of convertible debt causing shareholder dilution. We are continuing to explore other non-core asset sales as well as a conventional asset based lending solution, to reduce the exposure to remaining convertible debentures."

About InterCloud Systems, Inc.

InterCloud Systems, Inc. is a leading provider of cloud networking orchestration and automation, for Software Defined Networking (SDN) and Network Function Virtualization (NFV) cloud environments to the telecommunications service provider (carrier) and corporate enterprise markets through cloud solutions and professional services. InterCloud's cloud solutions offer enterprise and service-provider customers the opportunity to adopt an operational expense model by outsourcing cloud deployment and management to InterCloud rather than the capital expense model that has dominated in recent decades in IT infrastructure management. Additional information regarding InterCloud may be found on InterCloud's website at www.intercloudsys.com.

Forward-looking statements:

The above news release contains forward-looking statements. The statements contained in this document that are not statements of historical fact, including but not limited to, statements identified by the use of terms such as "anticipate," "appear," "believe," "could," "estimate," "expect," "hope," "indicate," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "will," "would," and other variations or negative expressions of these terms, including statements related to expected market trends and the Company's performance, are all "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. These statements are based on assumptions that management believes are reasonable based on currently available information, and include statements regarding the intent, belief or current expectations of the Company and its management. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performances, and are subject to a wide range of external factors, uncertainties, business risks, and other risks identified in filings made by the company with the Securities and Exchange Commission. Actual results may differ materially from those indicated by such forward-looking statements. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances upon which any statement is based except as required by applicable law and regulations.

Investor Relations

InterCloud Systems, Inc.

561-988-1988