

Clarity Communications Group Inc. (Combined)
Unaudited Balance Sheet (Cash Basis)
As of December 31, 2011

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	Clarity Commu- ications Group, Inc.	LMK Commu- ications, LLC	NewClarity, LLC	Clarity Commu- ications Group, Inc.
	separate	separate	separate	combined
ASSETS				
Current Assets				
Checking/Savings				
1003 · Fidelity Bank	██████████	██████████	██████████	██████████
1004 · BB&T Escrow	██████████			██████████
Total Checking/Savings	██████████	██████████	██████████	██████████
Other Current Assets				
2204 · Due from 510 Glenwood Ave LLC	██████████			██████████
2400 · Employee Advances	██████████			██████████
Total Other Current Assets	██████████	██████████	██████████	██████████
Total Current Assets	██████████	██████████	██████████	██████████
Fixed Assets				
2500 · Fixed Asset				
2501.0 · Office Condo			██████████	██████████
2501.1 · A/D - Office Condo			██████████	██████████
2507.0 · Office Condo #2 9209-201			██████████	██████████
2507.1 · A/D-Office Condo #2 9209-201			██████████	██████████
2508.1 · Office Condo #3 9209-101			██████████	██████████
2508.2 · A/D-Office Condo #3 9209-101			██████████	██████████
2502.0 · Capital Improvements	██████████		██████████	██████████
2502.1 · A/D - Capital Improvements	██████████		██████████	██████████
2503.0 · Office Furniture	██████████			██████████
2503.1 · A/D - Office Furniture	██████████			██████████
2504.0 · Equipment - Computer & Office	██████████			██████████
2504.1 · A/D - Equipment - Comp & Office	██████████			██████████
2508.0 · Fiber Optic Cable		██████████		██████████
2508.1 · A/D - Fiber Optic Cable		██████████		██████████
2509.0 · Telecom Equipment		██████████		██████████
2509.1 · A/D - Telecom Equipment		██████████		██████████
2510.0 · Telecom Equip/Fiber-not in srvc		██████████		██████████
Total 2500 · Fixed Asset	██████████	██████████	██████████	██████████
2600 · Computer Software				
2601.0 · Office Computer Software	██████████			██████████
2601.1 · Accum. Amortization-Office SW	██████████			██████████
2602.0 · Telecom Svc. Software-non cir		██████████		██████████
2602.1 · Accum. Amortiz.-Tel Srv-non cir		██████████		██████████
Total 2600 · Computer Software	██████████	██████████		██████████
Total Fixed Assets	██████████	██████████	██████████	██████████
TOTAL ASSETS	██████████	██████████	██████████	██████████

COM
FD
PA
ECO
ENG
SCL
DM
TEL
CLK

Clarity Communications Group Inc. (Combined)

Unaudited Balance Sheet (Cash Basis)

As of December 31, 2011

	Clarity Commu- ications Group, Inc. <u>separate</u>	LMK Commu- ications, LLC <u>separate</u>	NewClarity, LLC <u>separate</u>	Clarity Commun- ications Group, Inc. <u>combined</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Credit Cards				
3001 · Citi Mastercard	████████			████████
Total Credit Cards	████████	██	██	████████
Other Current Liabilities				
3101 · N/P - Fidelity Bank			████████	████████
3005 · FUTA Payable	████████			████████
3011.1 · E'er 401(k) Contrib Payable	████████			████████
3011.2 · Sub-S Officers Health Ins Pay	████████			████████
Total Other Current Liabilities	████████	██	████████	████████
Total Current Liabilities	████████	██	████████	████████
Total Liabilities	████████	██	████████	████████
Equity				
3890 · Intercompany Distrib (Clarity/LMK)	████████	████████		████████
3891 · Intercompany Distrib (Clarity/NewClarity)	████████		████████	████████
3900 · Retained Earnings	████████	████████	████████	████████
Net Income	████████	████████	████████	████████
Total Equity	████████	████████	████████	████████
TOTAL LIABILITIES & EQUITY	████████	████████	████████	████████

Clarity Communications Group Inc. (Combined)

Unaudited Income Statement (Cash Basis)

January through December 2011

	Clarity Commu- nications Group Inc.	LMK Commu- nications, LLC	NewClarity, LLC	Clarity Commu- nications Group Inc.
	separate	separate	separate	combined
Ordinary Income/Expense				
Income				
Total 4101 · Sales	█	█	█	█
Total 4200 · Commissions	█	█	█	█
Total Income	█	█	█	█
Cost of Goods Sold				
Total 5101 · Circuit Service Costs	█	█	█	█
Total 5102 · Regulatory fees	█	█	█	█
Total COGS	█	█	█	█
Gross Profit	█	█	█	█
Expense				
Total 6000 · Office Expenses	█	█	█	█
Total 6100 · Condo	█	█	█	█
Total 6200 · Payroll & Personnel	█	█	█	█
Total 6300 · Telecom Expenses	█	█	█	█
Total 6400 · Professional Services	█	█	█	█
Total 6500 · Business Taxes & Fees	█	█	█	█
Total 6600 · Marketing/Client Relations	█	█	█	█
Total 6700 · Network Operations	█	█	█	█
6800 · Banking Fees	█	█	█	█
6801 · Interest Expense	█	█	█	█
Total 6950 · VA Office	█	█	█	█
Total 6960 · CA Office	█	█	█	█
Total 6990 · Raleigh Remote Office	█	█	█	█
Total Expense	█	█	█	█
Total Other Income	█	█	█	█
Net Income	█	█	█	█
Addback				
Interest Expense	█	█	█	█
Depreciation & Amortization	█	█	█	█
EBITDA	█	█	█	█

Clarity Communications Group Inc. (Combined)
Unaudited Statement of Retained Earnings (Cash Basis)
 January through December 2011

	Clarity Commu- nications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commu- nications Group Inc. combined
12/31/2010, Retained Earnings	██████████	██████████	██████████	██████████
Net Tax. Income (Loss)	██████████	██████████	██████████	██████████
Book/Tax Differences	██████████			██████████
Distributions to Owners	██████████			██████████
Intercompany Distributions - Clarity/LMK	██████████	██████████		-
Intercompany Distributions - Clarity/NewClarity	██████████		██████████	-
12/31/2011, Retained Earnings	██████████	██████████	██████████	██████████

Clarity Communications Group Inc. (Combined)
Unaudited Balance Sheet (Cash Basis)
As of December 31, 2012

	Clarity Commun- ications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commun- ications Group Inc. combined
ASSETS				
Current Assets				
Checking/Savings				
1003 · Fidelity Bank	██████████	██████████	██████████	██████████
1004 · BB&T Escrow	██████████			██████████
Total Checking/Savings	██████████	██████████	██████████	██████████
Other Current Assets				
2399 · Other Receivable	██████████			██████████
2400 · Employee Advances	██████████			██████████
2204 · Due from 510 Glenwood Ave LLC	██████████			██████████
Total Other Current Assets	██████████	██████████	██████████	██████████
Total Current Assets	██████████	██████████	██████████	██████████
Fixed Assets				
2501.0 · Office Condo #1 9209-203			██████████	██████████
2501.1 · A/D - Office Condo #1 9209-203			██████████	██████████
2507.0 · Office Condo #2 9209-201			██████████	██████████
2507.1 · A/D-Office Condo #2 9209-201			██████████	██████████
2511.0 · Office Condo #3 9209-101			██████████	██████████
2511.1 · A/D-Office Condo #3 9209-101			██████████	██████████
2502.0 · Capital Improvements	██████████		██████████	██████████
2502.1 · A/D - Capital Improvements	██████████		██████████	██████████
2503.0 · Office Furniture	██████████			██████████
2503.1 · A/D - Office Furniture	██████████			██████████
2504.0 · Equipment - Computer & Office	██████████			██████████
2504.1 · A/D - Equipment - Comp & Office	██████████			██████████
2508.0 · Fiber Optic Cable		██████████		██████████
2508.1 · A/D - Fiber Optic Cable		██████████		██████████
2509.0 · Telecom Equipment		██████████		██████████
2509.1 · A/D - Telecom Equipment		██████████		██████████
2510.0 · Telecom Equip/Fiber-not in srvc		██████████		██████████
2511.0 · Vehicles		██████████		██████████
2511.1 · A/D - Vehicles		██████████		██████████
2601.0 · Office Computer Software	██████████			██████████
2601.1 · Accum. Amortization-Office SW	██████████			██████████
2602.0 · Telecom Svc. Software-non cir		██████████		██████████
2602.1 · Accum. Amortiz.-Tel Srv-non cir		██████████		██████████
Total Fixed Assets	██████████	██████████	██████████	██████████
TOTAL ASSETS	██████████	██████████	██████████	██████████

Clarity Communications Group Inc. (Combined)
Unaudited Balance Sheet (Cash Basis)

As of December 31, 2012

	Clarity Commun- ications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commun- ications Group Inc. combined
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
3001 · Citi Mastercard				
3001.1 · Chase MC				
3005 · FUTA Payable				
3011.1 · E'er 401(k) Contrib Payable				
3011.2 · Sub-S Officers Health Ins Pay				
3015 · Sales Tax Payable				
Total Other Current Liabilities				
Total Current Liabilities				
Long Term Liabilities				
3101 · N/P - Fidelity Bank				
Total Long Term Liabilities				
Total Liabilities				
Equity				
3890 · Intercompany Distrib (Clarity/LMK)				
3891 · Intercompany Distrib (Clarity/NewClarity)				
3900 · Retained Earnings				
Net Income				
Total Equity				
TOTAL LIABILITIES & EQUITY				

Clarity Communications Group Inc. (Combined)
Unaudited Income Statement (Cash Basis)
 January through December 2012

	Clarity Commun- ications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commu- nications Group Inc. combined
Ordinary Income/Expense				
Income				
Total 4101 · Circuit Service Charges	█	█	█	█
Total 4200 · Consulting Income	█	█	█	█
Total Income	█	█	█	█
Cost of Goods Sold				
Total 5101 · Circuit Service Costs	█	█	█	█
Total 5102 · Regulatory fees	█	█	█	█
Total COGS	█	█	█	█
Gross Profit	█	█	█	█
Expense				
Total 6000 · Office Expenses	█	█	█	█
Total 6100 · Condo	█	█	█	█
█	█	█	█	█
Total 6300 · Telecom Expenses	█	█	█	█
Total 6400 · Professional Services	█	█	█	█
Total 6500 · Business Taxes & Fees	█	█	█	█
Total 6600 · Marketing/Client Relations	█	█	█	█
Total 6700 · Network Operations	█	█	█	█
6800 · Banking Fees	█	█	█	█
6801 · Interest Expense	█	█	█	█
Total 6900 · Vehicle Expenses	█	█	█	█
Total 6950 · VA Office	█	█	█	█
Total 6960 · CA Office	█	█	█	█
Total Expense	█ ⁰	█	█	█
Net Ordinary Income	█	█	█	█
Net Other Income	█	█	█	█
Net Income	█	█	█	█
Addback				
Interest Exp	█	█	█	█
Depreciation & Amortization	█	█	█	█
EBITDA	█	█	█	█

Clarity Communications Group Inc. (Combined)
Unaudited Statement of Retained Earnings (Cash Basis)
 January through December 31, 2012

	Clarity Comm- ications Group Inc. separate	LMK Commu- ications, LLC separate	NewClarity, LLC separate	Clarity Commu- ications Group Inc. combined
12/31/2011, Retained Earnings	██████████	██████████	██████████	██████████
Net Tax. Income (Loss)	██████████	██████████	██████████	██████████
Book/Tax Differences	██████████			██████████
Distributions to Owners	██████████			██████████
Intercompany Distributions - Clarity/LMK	██████████	██████████		-
Intercompany Distributions - Clarity/NewClarity	\$ ██████████		██████████	-
12/31/2012, Retained Earnings	██████████	██████████	██████████	██████████

Clarity Communications Group Inc. (Combined)
Unaudited Balance Sheet (Cash Basis)
As of December 31, 2013

	Clarity Commu- nications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commun- ications Group Inc. combined
ASSETS				
Current Assets				
Checking/Savings				
1003 - Fidelity Bank	██████████	██████████	██████████	██████████
1005 - BB&T Checking	██████████	██████████	██████████	██████████
1005 - Bank of America Escrow	██████████	██████████	██████████	██████████
Total Checking/Savings	██████████	██████████	██████████	██████████
Accounts Receivable				
1200 - Accounts Receivable	██████████	██████████	██████████	██████████
Total Accounts Receivable	██████████	██████████	██████████	██████████
Other Current Assets				
2201.1 - Due from NCIP	██████████	██████████	██████████	██████████
Total Other Current Assets	██████████	██████████	██████████	██████████
Total Current Assets	██████████	██████████	██████████	██████████
Fixed Assets				
2501.0 - Office Condo #1 9209-203	██████████	██████████	██████████	██████████
2501.1 - A/D - Office Condo #1 9209-203	██████████	██████████	██████████	██████████
2502.0 - Capital Improvements	██████████	██████████	██████████	██████████
2502.1 - A/D - Capital Improvements	██████████	██████████	██████████	██████████
2507.0 - Office Condo #2 9209-201	██████████	██████████	██████████	██████████
2507.1 - A/D-Office Condo #2 9209-201	██████████	██████████	██████████	██████████
2511.0 - Office Condo #3 9209-101	██████████	██████████	██████████	██████████
2511.1 - A/D-Office Condo #3 9209-101	██████████	██████████	██████████	██████████
2503.0 - Office Furniture	██████████	██████████	██████████	██████████
2503.1 - A/D - Office Furniture	██████████	██████████	██████████	██████████
2504.0 - Equipment - Computer & Office	██████████	██████████	██████████	██████████
2504.1 - A/D - Equipment - Comp & Office	██████████	██████████	██████████	██████████
2508.0 - Fiber Optic Cable	██████████	██████████	██████████	██████████
2508.1 - A/D - Fiber Optic Cable	██████████	██████████	██████████	██████████
2508.2 - Fiber (LMK is IRU'ee)	██████████	██████████	██████████	██████████
2508.3 - A/D-Fiber (LMK is IRU'ee)	██████████	██████████	██████████	██████████
2509.0 - Telecom Equipment	██████████	██████████	██████████	██████████
2509.1 - A/D - Telecom Equipment	██████████	██████████	██████████	██████████
2511.0 - Vehicles	██████████	██████████	██████████	██████████
2511.1 - A/D - Vehicles	██████████	██████████	██████████	██████████
2512.0 - Leasehold Improvements	██████████	██████████	██████████	██████████
2512.1 - A/D-Leasehold Improv	██████████	██████████	██████████	██████████
2601.0 - Office Computer Software	██████████	██████████	██████████	██████████
2601.1 - Accum. Amort.-Office SW	██████████	██████████	██████████	██████████
2602.0 - Telecom Computer Software	██████████	██████████	██████████	██████████
2602.1 - Accum. Amortiz.-Tel SW	██████████	██████████	██████████	██████████
Total Fixed Assets	██████████	██████████	██████████	██████████

Clarity Communications Group Inc. (Combined)
Unaudited Balance Sheet (Cash Basis)
As of December 31, 2013

	Clarity Commu- nications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commun- ications Group Inc. combined
Other Assets				
2700 - Work in Process	█	█	█	█
2701 - Assets Not In Service	█	█	█	█
Total Other Assets	█	█	█	█
TOTAL ASSETS	█	█	█	█
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Credit Cards				
3001.1 - Chase MC	█	█	█	█
3001.2 - Citi MC	█	█	█	█
Total Credit Cards	█	█	█	█
Other Current Liabilities				
3005 - FUTA Payable	█	█	█	█
3011.1 - E'er 401(k) Contrib Payable	█	█	█	█
3015 - Telecom Sales Tax Payable (NC)	█	█	█	█
3016 - General Sales & Use Tax Payable	█	█	█	█
3017 - Telecom Sales Tax Payable (AL)	█	█	█	█
Total Other Current Liabilities	█	█	█	█
Total Current Liabilities	█	█	█	█
Long Term Liabilities				
3030 - Datawatt Note 1	█	█	█	█
3031 - Datawatt Note 2	█	█	█	█
3032 - Datawatt Note 3	█	█	█	█
3033 - Datawatt Note 4	█	█	█	█
3034 - Datawatt Note 5	█	█	█	█
3035 - Datawatt Note 6	█	█	█	█
3036 - Datawatt Note 7	█	█	█	█
3037 - Datawatt Note 8	█	█	█	█
3038 - Datawatt Note 9	█	█	█	█
3040 - BB&T Equipment Loan	█	█	█	█
3101 - Fidelity Bank Condo Loan	█	█	█	█
3102 - Shldr Loan -Adv #1 - Peverall	█	█	█	█
3103 - Shldr Loan -Adv #1 - Carwile	█	█	█	█
3104 - Shldr Loan -Adv #2&3 - Peverall	█	█	█	█
3105 - Shldr Loan -Adv #2&3 - Carwile	█	█	█	█
Total Long Term Liabilities	█	█	█	█
Total Liabilities	█	█	█	█

**Clarity Communications Group Inc. (Combined)
Unaudited Balance Sheet (Cash Basis)**

As of December 31, 2013

	Clarity Commu- nications Group Inc. separate	LMK Commu- nications, LLC separate	NewClarity, LLC separate	Clarity Commun- ications Group Inc. combined
Equity				
3890 - Intercompany Distrib (Clarity/LMK)	██████████	██████████	████	████
3891 - Intercompany Distrib (Clarity/NewClarity)	██████████	████	██████████	████
3900 - Retained Earnings	██████████	██████████	██████████	██████████
Net Income	██████████	██████████	██████████	██████████
Total Equity	██████████	██████████	██████████	██████████
TOTAL LIABILITIES & EQUITY	██████████	██████████	██████████	██████████

Clarity Communications Group Inc. (Combined)
Unaudited Income Statement (Cash Basis)
 January through December 2013

	Clarity Commu- nications Group Inc. separate	LMK Commun- ications, LLC separate	NewClarity, LLC separate	Clarity Commun- ications Group Inc. combined
Ordinary Income/Expense				
Income				
Total 4101 · Sales - Circuit Revenue	█	██████████	█	██████████
Total 4301 · Consulting Revenue	█	██████████	█	██████████
Total Income	█	██████████	█	██████████
Cost of Goods Sold				
Total 5101 · Circuit Service Costs	█	██████████	█	██████████
Total 5102 · Regulatory fees	█	██████████	█	██████████
Total COGS	█	██████████	█	██████████
Gross Profit	█	██████████	█	██████████
Expense				
Total 6000 · Office Expenses	██████████	██████████	█	██████████
Total 6100 · Condo	██████████	██████████	██████████	██████████
Total 6200 · Payroll & Personnel	██████████	██████████	█	██████████
Total 6300 · Telecom Expenses	██████████	██████████	█	██████████
Total 6400 · Professional Services	█	██████████	█	██████████
Total 6500 · Business Taxes & Fees	██████████	██████████	██████████	██████████
Total 6600 · Marketing	██████████	██████████	█	██████████
Total 6700 · Network Operations	█	██████████	█	██████████
6800 · Banking Fees	██████████	██████████	█	██████████
Total 6801 · Interest Expense	█	██████████	█	██████████
Total 6900 · Vehicle Expenses	█	██████████	█	██████████
Total Expense	██████████	██████████	██████████	██████████
Net Ordinary Income	██████████	██████████	██████████	██████████
Other Income/Expense				
Total Other Income	█	█	█	█
Net Other Income	█	█	█	█
Net Income	██████████	██████████	██████████	██████████
Addback:				
Tax Depreciation & Amortization	█	██████████	██████████	██████████
Interest Expense	█	██████████	██████████	██████████
EBITDA	██████████	██████████	██████████	██████████

Clarity Communications Group Inc. (Combined)
Unaudited Statement of Retained Earnings (Cash Basis)
 January through December 2013

	Clarity Commu- ications Group Inc. separate	LMK Commu- ications, LLC separate	NewClarity, LLC separate	Clarity Commu- ications Group Inc. combined
12/31/2012, Retained Earnings	██████████	██████████	██████████	██████████
Net Tax. Income (Loss)	██████████	██████████	██████████	██████████
Book/Tax Differences		██████████		██████████
Distributions to Owners	-			-
Intercompany Distributions - Clarity/LMK	██████████	██████████		-
Intercompany Distributions - Clarity/NewClarity	██████████		██████████	-
				-
12/31/2013, Retained Earnings	██████████	██████████	██████████	██████████