

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
	§	
DIGERATI TECHNOLOGIES, INC.	§	CASE NO. 13-33264-H4-11
	§	
DEBTOR.	§	(Chapter 11) Judge Bohm

**DEBTOR'S SECOND AMENDED & RESTATED CHAPTER 11 PLAN OF
REORGANIZATION DATED JANUARY 21, 2014, INCLUDING ALL
MODIFICATIONS AND CORRECTIONS TO TYPOGRAPHICAL ERRORS
DATED FEBRUARY 6, 2014**

Respectfully submitted,

HOOVER SLOVACEK LLP
EDWARD L. ROTHBERG
 State Bar No. 17313990
MELISSA A. HASELDEN
 State Bar No. 00794778
DEIRDRE CAREY BROWN
 State Bar No. 24049116
 5847 San Felipe, Suite 2200
 Houston, Texas 77057
 Telephone: 713.977.8686
 Facsimile: 713.977.5395
 Email: rothberg@hooverslovacek.com
haselden@hooverslovacek.com
brown@hooverslovacek.com

ATTORNEYS FOR DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
	§	
DIGERATI TECHNOLOGIES, INC.	§	CASE NO. 13-33264-H4-11
	§	
	§	(Chapter 11)
DEBTOR.	§	Judge Bohm

DEBTOR’S SECOND AMENDED & RESTATED CHAPTER 11 PLAN OF REORGANIZATION DATED JANUARY 21, 2014, INCLUDING ALL MODIFICATIONS AND CORRECTIONS TO TYPOGRAPHICAL ERRORS

The Debtor, Digerati Technologies, Inc. (hereinafter “Digerati” or Debtor”), proposes the following Second Amended & Restated Chapter 11 Plan of Reorganization Dated January 21, 2014, including All Modifications and Corrections to Typographical Errors (the “Plan”) in this bankruptcy case.

ARTICLE 1
INTRODUCTION AND GENERAL PURPOSES OF THE PLAN

Debtor proposes this Plan for the treatment of all outstanding creditor claims and equity interests pursuant to Chapter 11 of the Bankruptcy Code. The Debtor is the proponent of the Plan within the meaning of Section 1129 of the Bankruptcy Code. The Plan contemplates a significant reduction in Debtor’s operations and debt through the sale of two of Debtor’s subsidiaries, Hurley Enterprises, Inc. and Dishon Disposal, Inc. The proceeds from these sales will help fund this plan. The Debtor will continue to own the common stock in its remaining subsidiary Shift8

Technologies, Inc., which is a holding company for Digerati Networks, Inc. and Shift8 Networks, Inc. f/k/a Digerati Broadband, Inc. All holders of claims against and equity interests in the Debtor are encouraged to read the Plan and accompanying Disclosure Statement in their entirety before voting on the Plan.

ARTICLE 2 **DEFINITIONS**

2.1 For purposes of the Plan the following terms shall have the respective meanings specified as follows:

- 2.1.1 Administrative Claim shall mean any Claim that is defined in Section 503(b) of the Bankruptcy Code as being an “administrative expense” within the meaning of such section and referenced in Bankruptcy Code Section 507(a)(1) including, without limitation, the actual, necessary costs and expenses of preserving the Debtor’s estate and operating the business of the Debtor, including wages, salaries, or commissions for services rendered after the commencement of the case, compensation for legal and other services and reimbursement of expenses Allowed or awarded under Bankruptcy Code Sections 330(a) or 331, and all fees and charges assessed against the estate of the Debtor under title 28 of the United States Code.
- 2.1.2 Allowed Claim or Allowed Equity Interest shall mean a Claim or Equity Interest (a) in respect of which a proof of claim or application has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of Creditors and Equity Interest Holders prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b) and not listed as Disputed Claims or Disputed Equity Interests or contingent or liquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Bankruptcy Rule 3001 or an order of the Bankruptcy Court, or this Plan, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending or as otherwise allowed under this Plan. An Allowed Claim may refer

to a Secured Claim, a General Unsecured Claim, an Administrative Claim or a priority Claim as the context provides. Arthur L. Smith, Antonio Estrada, WEM Equity Capital Investments, Ltd., Rainmaker Ventures II, Ltd., and Recap Marketing and Consulting LLP shall each have an Allowed Equity Interest for their respective equity interests in common stock issued prior to the Transaction. If there is a dispute over the number of shares of common stock representing the equity interests allowed by this Section, such dispute shall be resolved pursuant to the arbitration provision contained in the Bankruptcy Settlement Agreement.

- 2.1.3 Avoidance Actions shall mean any and all rights, claims and causes of action arising under any provision of Chapter 5 of the Bankruptcy Code, or similar state law, such as the Uniform Fraudulent Transfer Act or Uniform Fraudulent Conveyance Act, as enacted.
- 2.1.4 Bankruptcy Code shall mean the Bankruptcy Code, 11 U.S.C. §101 et seq., as it existed on the Filing Date.
- 2.1.5 Bankruptcy Court shall mean the United States Bankruptcy Court for the Southern District of Texas, Houston Division, in which the Debtor's Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any Court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.
- 2.1.6 Bankruptcy Estate shall mean all of the assets owned by the Debtor and its estate.
- 2.1.7 Bankruptcy Rules shall mean the rules of procedure in bankruptcy cases applicable to cases pending before the Bankruptcy Court and local bankruptcy rules as adopted by the Bankruptcy Court.
- 2.1.8 Bankruptcy Settlement Agreement means that agreement entered into on January 14, 2014, between the Debtor, Arthur L. Smith, Antonio Estrada, Hurley Fairview, LLC, Hurley Enterprises, Inc., Hurley Family Trust, Vess Hurley, Sheyenne Rae Nelson Hurley, Dishon Disposal, Inc., Riverfront Capital, Luci Dishon, Terry Dishon, Dishon Family Heritage Trust, Southpaw Trust, Rainmaker Trust, Bert Tarrant ("Terry") Dunken, Sheryl Dunken, David Gorham, Connie Gorham, Christy Albeck, Albeck Financial Services, Inc., Hunter M. A.

Carr, Recap Marketing & Consulting, LLP, Rhodes Holdings, LLC, Robert L. Sonfield, Jr. P.C., d/b/a Sonfield & Sonfield, Robert L. Sonfield, Jr., Robert C. Rhodes, also known as Robert C. Rhodes, II American Equity Fund, LLC, Delta S Ventures, LP, Cloud Capital Corp, William E. McIlwain, John Howell, Scott A. Hepford, The Lunaria Heritage Trust, WEM Equity Capital Investments, Ltd., Rainmaker Ventures, II, Ltd., and Kelley Kirker. The Bankruptcy Settlement Agreement was approved by the Bankruptcy Court on January 15, 2014 (Docket #673). A copy of the Bankruptcy Settlement Agreement is attached hereto as Exhibit 1 and made a part hereof.

- 2.1.9 Bar Date shall mean the deadline of October 16, 2013 established by the Bankruptcy Court as the date by which proofs of claim for nongovernmental entities and proof of Interests (for Disputed Interests) had to be filed.
- 2.1.10 Cash shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.
- 2.1.11 Claim shall have the meaning given in Section 101 of the Bankruptcy Code, to wit, any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against the Debtor in existence on or before the Filing Date, whether or not such right to payment or right to equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured whether or not asserted.
- 2.1.12 Class shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.
- 2.1.13 Class 1 Claims, Class 2 Claims, Class 3 Claims, Class 4, Class 5 Claims and Class 6 Claims shall mean the Claims so classified in Sections 4.1 through 4.6, respectively.
- 2.1.14 Class 7 Allowed Digerati Common Stock Interests and Options to Purchase Common Stock shall mean the Allowed Equity Interests so classified in Section 4.7.
- 2.1.15 Class 8 Warrants shall mean all warrants to purchase Digerati Common Stock issued by the Debtor prior to the Bankruptcy Filing.

- 2.1.16 Closing Date(s) shall mean the respective date(s) for the closing of the sales of Hurley and Dishon or closing of the Financing Alternative provided for in Article 6.5.
- 2.1.17 Confirmation Date shall mean the date upon which the Confirmation Order is entered by the Clerk of the Bankruptcy Court.
- 2.1.18 Confirmation Hearing shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.
- 2.1.19 Confirmation Order shall mean the order entered by the Bankruptcy Court confirming this Plan, and any modifications thereto, in accordance with the provisions of Chapter 11 of the Bankruptcy Code.
- 2.1.20 Creditor shall mean any entity holding a Claim.
- 2.1.21 Debtor shall mean Digerati Technologies, Inc.
- 2.1.22 Digerati shall mean Digerati Technologies, Inc., Debtor in Bankruptcy Case No. 13-33264-H4-11.
- 2.1.23 Disallowed Claim shall mean any Claim or portion thereof which has been disallowed by a Final Order and includes any Claim which is not an Allowed Claim for any other reason.
- 2.1.24 Disallowed Equity Interest shall mean any Equity Interest or portion thereof which has been disallowed by a Final Order and includes any Equity Interest which is not an Allowed Equity Interest for any other reason.
- 2.1.25 Disbursing Agent shall mean the Trustee of the Grantor Trust on behalf of the Reorganized Debtor.
- 2.1.26 Disclosure Statement shall mean the written document filed by the Debtor in accordance with Section 1125(b) of the Bankruptcy Code containing information sufficient to enable a hypothetical reasonable investor typical of Holders of Claims or Interests of the relevant Class to make an informed judgment about this Plan.
- 2.1.27 Dishon means Dishon Disposal, Inc., a subsidiary of the Debtor.

- 2.1.28 Dishon Notes shall mean those two certain Secured Promissory Notes dated November 16, 2012, owed to Terry Dishon in the respective original principal amounts of \$20 million and \$10 million, plus applicable interest and related charges related to Digerati's purchase of Dishon Disposal, Inc and which is secured by a pledge of the Dishon stock.
- 2.1.29 Dishon Plan Carve out shall mean 50% of the unpaid professional fees entitled to Administrative Expense Priority plus \$1,250,000.
- 2.1.30 Dishon Sale shall mean the sale of the Dishon stock or the assets of Dishon.
- 2.1.31 Disputed Claim shall mean that portion (including, where appropriate, the whole) of any Claim (other than an Allowed Claim) that (a) is listed in the Debtor's schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in the Debtor's schedules of liabilities and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim exceeds the scheduled amount; (c) is not listed in the Debtor's schedules of liabilities, but as to which a proof of Claim has been filed with the Bankruptcy Court; or (d) as to which an objection has been filed and has not become an Allowed Claim.
- 2.1.32 Disputed Claim Reserve Account shall mean the account set up pursuant to Section 6.13 hereof.
- 2.1.33 Disputed Equity Interest shall mean that portion (including, where appropriate, the whole) of any Equity Interest that (a) is listed in the Debtor's schedules, list of equity security holders (as supplemented and amended), or statement of financial affairs as disputed or as to which an objection has been filed and has not become an Allowed Equity Interest.
- 2.1.34 Effective Date shall mean December 31 following the Hurley Sale and the Dishon Sale, provided that the Confirmation Order has become a Final Order.
- 2.1.35 Equity Interest shall mean the interests represented by an "equity security" as defined in Section 101 of the Bankruptcy Code in respect to which a proof of interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of

Equity Security Holders prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b).

- 2.1.36 Executory Contract(s) shall mean any pre-petition unexpired lease(s) or executory contract(s) of the Debtor within the meaning of Section 365 of the Bankruptcy Code.
- 2.1.37 Filing Date shall mean May 30, 2013, the date the Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code.
- 2.1.38 Final Order shall mean an order or judgment of a Court which has become final in accordance with law, and which has not been stayed pending appeal.
- 2.1.39 Financing Alternative shall have the meaning set forth in Article 6.5.
- 2.1.40 General Unsecured Claim shall mean either (i) a Claim that is not secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code; (ii) a Claim that is not a Secured Claim; (iii) a Claim that is not an Administrative Claim; (iv) a Claim that is not a Priority Claim; or (v) a Claim that is not otherwise entitled to priority under Bankruptcy Code Sections 503 or 507.
- 2.1.41 Holder shall mean the owner or Holder of any Claim or Equity Interest.
- 2.1.42 Hurley means Hurley Enterprises, Inc., a subsidiary of the Debtor.
- 2.1.43 Grantor Trust shall mean the grantor trust established pursuant to Section 6.2 of the Plan.
- 2.1.44 Hurley Notes shall mean those certain Secured Promissory Notes dated November 15, 2012, owed to Hurley Fairview, LLC and Sheyenne Hurley in total original principal balance of \$30 million (\$20 million to Hurley Fairview LLC and \$10 million to Sheyenne Hurley), plus applicable interest and related charges related to Digerati's purchase of Hurley and which is secured by a pledge of the Hurley stock.

- 2.1.45 Hurley Plan Carve out shall mean 50% of the unpaid professional fees entitled to Administrative Expense Priority plus \$1,250,000.
- 2.1.46 Hurley Sale shall mean the sale of the stock or the assets of Hurley.
- 2.1.47 Insider has the definition ascribed to it under the Bankruptcy Code.
- 2.1.48 IRS shall mean the Internal Revenue Service.
- 2.1.49 Lien shall mean a “lien” as defined in Section 101(37) of the Bankruptcy Code.
- 2.1.50 Litigation Opponent means those parties adverse to Digerati involved with or affected by the Transaction, either directly or indirectly, including but not limited to, Phillip Johnston, Cloud Capital Corp., John Howell, Oleum Capital, LLC, Robert C. Rhodes also known as Robert C. Rhodes, II, Robert L. Sonfield, Jr., Sonfield & Sonfield, P.C., Jennifer Abney, Kelley Kirker, Hunter M.A. Carr, Carol Wilson, Lou Soumas, Damon Pistulka, MCI Partners, LLC, Special Waste Management Services, LLC, John Doe Stock Promoters, Mark Townsend, Delta S Ventures, LP, William McIlwain, Hunter Carr, Scott Hepford, The Lunaria Heritage Trust, Rhodes Holdings, LLC, Recap Marketing and Consulting, LLP, Delta S Ventures, LP, and WEM Equity Capital Investments, Ltd.
- 2.1.51 Litigation Opponent Claims means those claims held by Digerati against the Litigation Opponents related to the Transaction.
- 2.1.52 Net Sales Proceeds means all proceeds from the sale of, transfer or conveyance of Hurley or Dishon, net of all respective necessary and actual costs and expenses associated with such transaction (including, without limitation, any broker fee/commission, advertising, documentation, reasonable attorneys’ fees and other costs, fees and expenses approved by the Bankruptcy Court), and any federal income taxes, whether ordinary income or capital gains, incurred by the Reorganized Debtor attributable to such sales.

- 2.1.53 Person shall mean an individual, corporation, partnership, limited liability company, joint venture, trust, estate, unincorporated organization, or a government or any agency or political subdivision thereof.
- 2.1.54 Plan shall mean the Debtor's Chapter 11 Plan of Reorganization, as altered, supplemented, modified or amended in accordance with the terms hereof in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan.
- 2.1.55 Professionals shall mean all professionals employed in this case pursuant to Section 327 or 1103 of the Bankruptcy Code.
- 2.1.56 Pro-Rata shall mean the proportion that the Allowed amount of such Claim bears to the aggregate amount of Claims in each respective Class.
- 2.1.57 Reorganized Debtor shall mean Digerati Technologies, Inc. on and after the Confirmation Date.
- 2.1.58 Retained Litigation Claims shall mean those causes of action described in Exhibit 4 which do not include causes of action against the Litigation Opponents which have been settled.
- 2.1.59 Rule 11 Mediated Settlement Agreement shall mean that certain agreement entitled Rule 11 Mediated Settlement Agreement entered into by Hurley Fairview, LLC, Hurley Family Trust, Vess Hurley, Sheyenne Rae Nelson Hurley, Riverfront Capital, LLC, Riverfront Holdings, LLC, Luci Dishon, Terry Dishon, Dishon Family Heritage Trust, Southpaw Trust, Rainmaker Trust, Bert Tarrant ("Terry") Dunken, Jr., Sheryl Dunken, David Gorham, Connie Gorham, Christy Albeck, Rhodes Holdings, LLC, Cloud Capital Corp., Philip Johnston, Recap Marketing & Consulting, LLP, Robert C. Rhodes, also known as Robert C. Rhodes, II, Robert L. Sonfield, Jr. P.C. d/b/a Sonfield & Sonfield, WEM Equity Capital Investments, Ltd., Scott A. Hepford, The Lunaria Heritage Trust, John Howell, Oleum Capital, LLC, William E. McIlwain, MCI Partners, LLC, Rainmaker Ventures, II, Ltd., American Equity Fund LLC, Delta S. Ventures, LP, Hunter M. A. Carr, Black Ink Financial Controls, LLC, Special Waste Management Services, LLC, Septic Services, LLC, Capital Expansions, LLC, Perfect Circle Water Systems, LLC, PCWS, LLC, Raw Clay Supply, LLC, Gestalt Manufacturing, LLC, Prestige Management Consultants, LLC, Alchemy Works, LLC, IP Barn LLC d/b/a

Hidden Assets, Living Well Food Services, LLC, Fat Boys, LLC, Rotund Boys, LLC, Manufacturing Ventures, LLC, Dishon Living Trust, R & V RV Park, LLC, Flat Rock Rentals, LLC, Mud Head, LLC, Studio H, LLC, Clearwater, Inc. and BBMP Management, LLC on January 14, 2014.

2.1.60 Sale Approval Order(s) means the order(s) that may be entered by the Bankruptcy Court approving the sale of either Hurley or Dishon pursuant to sections 1123(a)(5)(D) and 1141(c) of the Bankruptcy Code.

2.1.61 Secured Claim shall mean a Claim secured by a lien, security interest or other charge against or interest in property in which the Debtor has an interest, or which is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest of the Holder of such Claim in the Debtor's interest in such property or to the extent of the amount subject to such setoff, as the case may be.

2.1.62 Shift8 means Shift8 Technologies, Inc., a subsidiary of the Debtor.

2.1.63 Substantial Consummation shall occur on the Effective Date.

2.1.64 Surplus Net Sales Proceeds shall mean the Net Sales Proceeds minus payments to Holders of Administrative and Priority Claims and all Claims in Classes 1, 2, 3 and 4.

2.1.65 Transaction means the agreements and resolutions, including but not limited to an Agreement and Plan of Reorganization, entered into by certain parties to facilitate a transaction which closed on November 26, 2012, whereby Digerati would acquire Waste Deep, Inc. and its two 100% owned oil field service subsidiaries, Hurley and Dishon, and spin out its existing subsidiaries, including a subsidiary involved in VOIP and cloud communications into a separate company.

2.1.66 Unsecured Claims in excess of \$1,000 shall mean an Allowed Claim, (a) the amount of which (prior to any subdivision or assignment thereof after the Petition Date) is more than \$1,000 or (b) the Holder of which has not irrevocably elected prior to the Confirmation Date to reduce the amount thereof to \$1,000 and to have such Allowed Claim included in Class 4 by indicating

such election on the form utilized for purposes of acceptance or rejection of the Plan.

2.1.67 Unsecured Claims of \$1,000 or Less shall mean an Allowed Claim, (a) the amount of which (prior to any subdivision or assignment thereof after the Petition Date) is not more than \$ or (b) the Holder of which irrevocably elected prior to the Confirmation Date to reduce the amount thereof to \$1,000 and to have such Allowed Claim included in Class 3 by indicating such election on the form utilized for purposes of acceptance or rejection of the Plan.

2.2 Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective sections, articles of or exhibits to the Plan, as the same may be amended, waived or modified from time to time. The headings and table of contents in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan. Words denoting the singular number shall include the plural number and vice versa and words denoting one gender shall include the other gender. All exhibits and schedules attached to the Plan are incorporated herein by such attachment.

2.3 Application of Definitions and Rules of Construction Contained in the Bankruptcy Code. Words and terms defined in Section 101 of the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

2.4 Other Terms. The words “herein,” “hereof,” “hereto,” “hereunder” and others of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

ARTICLE 3

ADMINISTRATIVE AND PRIORITY CLAIMS

In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Claims have not been classified and are treated and described in this section.

3.1 Administrative Claims Bar Date. Any Holder of an Administrative Claim (including any cure Claims for executory contracts or leases that are assumed pursuant to this Plan, or pursuant to a 363 sale including Lease Claims) against the Debtor, except for administrative expenses incurred in the ordinary course of operating the Debtor’s business, shall file an application for payment of

such Administrative Claim on or within sixty (60) days after entry of the Confirmation Order with actual service upon counsel for the Debtor, otherwise such Holder's Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim, be entitled to no distribution and no further notices.

3.2 Payment of Non-Tax Administrative Claims. Each Holder of an unpaid Allowed Administrative Claim, except for administrative tax claims allowed under Section 503(b)(1) shall be paid in Cash in full from either available Cash, the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out and/or the Financing Alternative on the later of thirty (30) days after the Closing Date or the date such Claim becomes an Allowed Administrative Claim, unless the Holder of such Claim agrees to a different treatment.

3.3 Payment of Administrative Tax Claims. The Debtor anticipates incurring a federal income tax liability on the gains derived from the Hurley Sale and the Dishon Sale that will constitute an Administrative Tax Claim. The Debtor will estimate the maximum potential amount of this Administrative Tax Claim for each company and deposit that amount into the Disputed Claim Reserve Account from the Net Sales Proceeds. In accordance with the provisions of Section 505(b)(2), the Debtor will submit a tax return to the IRS, pay the amount it believes is due at the time, and request the IRS to make a determination that the amount paid is correct. If the return is not selected for audit within sixty (60) days of the request, the balance contained in the Disputed Claim Reserve Account for the Administrative Tax Claim shall be distributed to the other creditors as set forth herein. If the return is selected for audit within the foregoing sixty (60) day period, the Debtor will retain the funds in the Disputed Claim Reserve Account attributable to the potential Administrative Tax Claim until one hundred and eighty (180) days after the request for determination is made. If the IRS has not completed the audit after expiration of one-hundred and eighty (180) days from the date the request for determination is made, the balance contained in the Disputed Claim Reserve Account for the Administrative Tax Claim shall be distributed as follows: (i) first to satisfy any deficiency in the amounts owed to the Class 1 or Class 2 Creditor as the case may be; (ii) second as Surplus Net Sales Proceeds. If the IRS determines that any amount is due within the one-hundred and eighty (180) day time period, the Debtor reserves the right to request the Bankruptcy Court to determine the correct amount in accordance with Section 505(b)(2)(B). Once the actual amount of the Administrative Tax Claim is determined, it shall be paid from the Disputed Claim Reserve Account and any amount reserved in excess of that amount shall be distributed as set forth above.

3.4 Payment of Priority Claims. To the extent that Cash is available, each Holder of an unpaid Allowed Priority Claim shall be paid in Cash in full on the later of thirty (30) days after the Confirmation Date or the date such Claim

becomes an Allowed Priority Claim, unless the Holder of such Claim agrees to a different treatment.

If sufficient Cash is not available to pay Allowed Priority Claims in the manner provided in this Paragraph 3.4, then Allowed Priority Claims shall be paid from the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out and/or the Financing Alternative, along with simple interest at the rate of 5% per annum unless the Holder of such Claim agrees to a different treatment.

3.5 Payment of United States Trustee Fees. All fees incurred pursuant to 28 U.S.C. §1930(a)(6) for time periods prior to entry of Order Confirming Plan shall be paid by the Debtor on or before the Effective Date. The Reorganized Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. §1930(a)(6) entry of Order Confirming Plan. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open in a format prescribed by the United States Trustee and provided to Digerati by the United States Trustee.

3.6 Payment to Professionals. All payments to professionals for actual, necessary services and costs advanced in behalf of the bankruptcy cases up until the Confirmation Date shall be pursuant to Bankruptcy Court order, subject to the restrictions of 11 U.S.C. §330, and paid from available Cash, Professional fees incurred for services rendered and costs advanced subsequent to the Confirmation Date shall be the liability of the Reorganized Debtor and shall be paid in accordance with Section 6.7 from available Cash and/or the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out and/or the Financing Alternative. After the Confirmation Date, professionals requesting payment of fees shall submit invoices to the Reorganized Debtor, the Holders of the Allowed Class 1 and Class 2 Secured Claims and any other Holder of an Allowed Equity Interest who requests receipt of such invoices. If any party receiving the invoices has an objection to the fees requested, it shall send a letter or email to the professional detailing the objection within 14 days of receipt of the invoices. If no letter is received, then the fees shall be paid. If a letter is received, the parties shall attempt to resolve the dispute amicably without intervention of the Bankruptcy Court. If an amicable resolution cannot be reached, then the professional shall file a fee application with the Bankruptcy Court and the fees shall not be paid unless and until Bankruptcy Court approval is obtained.

ARTICLE 4

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The Plan provides for the division of Claims and Interests into eight Classes.

Classification and Specification of Treatment of Claims and Interests. All Claims and Interests, except Administrative Claims and Priority Claims, are placed in the following Classes of Claims and Interests, pursuant to Bankruptcy Code Section 1123(a)(1). This section specifies the treatment of such Classes of Claims and Interests and of their impaired or unimpaired status, pursuant to Bankruptcy Code Sections 1123(a)(2) and (3). A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class and is classified in a different Class to the extent that the Claim or Interest qualifies within the description of that different Class. A Claim or Interest is in a particular Class only to the extent that the Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, withdrawn, waived, settled, or otherwise satisfied.

Subject to all other applicable provisions of the Plan (including its distribution provisions), classified Claims and Interests shall receive the treatment set forth below. The Plan will not provide any distributions on account of a Claim or Interest to the extent that such Claim or Interest has been Disallowed, released, withdrawn, waived, settled, or otherwise satisfied or paid as of the Effective Date, including, without limitation, payments by third party guarantors, sureties, or insurers, whether governmental or nongovernmental. The Plan will not provide any distributions on account of a Claim or Interest, the payment of which has been assumed by a third party.

4.1 Class 1. Secured Claims of Terry Dishon.

4.1.1 Classification. Class 1 consists of the Allowed Secured Claims of Terry Dishon, related to the Dishon Notes, in the principal amount of \$30 million, plus interest at the nondefault rate, and any reasonable costs, charges and fees as may be allowable under 11 U.S.C. §506(b), secured by a lien on 100% of the stock of Dishon Disposal, Inc. In the event there are Surplus Net Sales Proceeds, the Class 1 Claim shall include interest at the default rate.

4.1.2 Treatment. The Allowed Secured Class 1 Claim shall be paid in full on the Closing Date from the Dishon Net Sales Proceeds. In accordance with the Bankruptcy Settlement Agreement, in the event of a sale of Dishon to a third party for an amount that is less than payment in full of the Class 1 Allowed Secured Claim, plus \$1,250,000, plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees, Terry Dishon agrees that the Dishon Plan Carve Out shall be retained by the Reorganized Debtor for payment of Allowed Administrative Expenses for professional fees and to pay other Allowed Claims. To the extent the Allowed Secured Class 1 Claim is not paid in full, the deficiency balance shall be waived. The Allowed Secured Class 1 Claims Holder shall retain his lien until such time as Dishon is

sold at which point he shall deliver all of his original stock certificates in Dishon to the Trustee of the Grantor Trust on behalf of the Reorganized Debtor and his lien on such stock certificates shall be transferred to the sale proceeds subject to the Dishon Plan Carve Out.

4.1.3 Impairment. The Class 1 Claim is impaired.

4.2 Class 2. Secured Claims of Hurley Fairview LLC and Sheyenne Hurley.

4.2.1 Classification. Class 2 consists of the Allowed Secured Claims of Hurley Fairview, LLC and Sheyenne Rae Nelson Hurley related to the Hurley Notes. Hurley Fairview LLC holds an Allowed Secured Claim in the principal amount of \$20 million, plus interest at the nondefault rate, and any reasonable costs, charges and fees as may be allowable under 11 U.S.C. §506(b), and Sheyenne Rae Nelson Hurley holds and Allowed Secured Claim in the principal amount of \$10 million, plus interest at the nondefault rate, and any reasonable costs, charges and fees as may be allowable under 11 U.S.C. §506(b), each secured by liens on 100% of the stock of Hurley Enterprises, Inc. In the event there are Surplus Net Sales Proceeds, the Class 2 Claim shall include interest at the default rate.

4.2.2 Treatment. The Allowed Secured Class 2 Claims shall be paid in full on the Closing Date from the Hurley Net Sales Proceeds. In accordance with the Bankruptcy Settlement Agreement, in the event of a sale of Hurley to a third party for an amount that is less than payment in full of the Class 2 Allowed Secured Claims, plus \$1,250,000, plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees, the Holders of the Allowed Class 2 Secured Claims agree that the Hurley Plan Carve Out shall be retained by the Reorganized Debtor for payment of Allowed Administrative Expenses for professional fees and to pay other Allowed Claims. To the extent the Allowed Secured Class 2 Claims are not paid in full, the deficiency balance shall be waived. The Allowed Class 2 Secured Claim Holders shall retain their lien until such time as Hurley is sold at which point they shall deliver all of their original stock certificates in Hurley to the Trustee of the Grantor Trust on behalf of the Reorganized Debtor and their lien on such stock certificates shall be transferred to the sale proceeds subject to the Hurley Plan Carve Out.

4.2.3 Impairment. The Class 2 Claims are impaired.

4.3 Class 3. Allowed Unsecured Claims of \$1,000 or Less

4.3.1 Classification: Class 3 consists of the Allowed Unsecured Claims of \$1,000 or less.

4.3.2 Treatment: The Holders of Allowed Class 3 General Unsecured claims shall be paid in full without post-petition interest, within 30 days of the Confirmation Date, from available surplus Cash on hand.

4.3.3 Impairment. Class 3 Claims are impaired.

4.4 Class 4. Allowed General Unsecured Claims in Excess of \$1,000.

4.4.1 Classification. Class 4 consists of the Allowed General Unsecured Claims in Excess of \$1,000 including the Holders of Convertible Debentures.

4.4.2 Treatment. The Holders of Allowed Class 4 General Unsecured Claims shall be paid in full without post-petition interest, from the Net Sale Proceeds of either Dishon or Hurley, whichever occurs first, the Dishon Plan Carve Out, the Hurley Plan Carve Out or the Financing Alternative. Payment to Holders of Allowed Class 4 General Unsecured Claims shall occur on the later of (i) thirty (30) days after the Closing Date or (ii) the Allowance of the Class 4 Claim. The conversion feature permitting conversion of debt to common stock contained in any convertible debentures is hereby revoked. Alternatively, the Holder of a Class 4 claim may elect to reduce the amount of its claim to \$1,000 and to have such Allowed Claim included in Class 3 by indicating such election on the form utilized for purposes of acceptance or rejection of the Plan.

4.4.3 Impairment. Class 4 Claims are impaired.

4.5 Class 5. Allowed Subordinated Unsecured Claims Arising Out of Disputed Rights to Preferred Series "A" Interests.

4.5.1 Classification. Class 5 consists of the Allowed Subordinated Unsecured Claims arising out of disputed rights to Preferred Series "A" Interests. The creditors listed in Section 4.5.2 are deemed to have Allowed Class 5 Claims.

4.5.2 Treatment. After creditors provided for in Articles 3 and Classes 1 through 4 are paid in full, Allowed Class 5 Subordinated Unsecured Claims Arising out of disputed rights to Preferred Series "A" Interests in the Debtor shall be treated as follows:

- i. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Hurley Fairview, LLC shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 40,000 as the numerator and by using the number 140,000 as the denominator.
- ii. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Terry Dishon shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 20,000 as the numerator and by using the number 140,000 as the denominator.
- iii. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Sheyenne Hurley shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 20,000 as the numerator and by using the number 140,000 as the denominator.
- iv. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Riverfront Capital shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 40,000 as the numerator and by using the number 140,000 as the denominator.
- v. All remaining claims not addressed by Paragraphs i-iv above arising out of related to Preferred Series "A" Interests held by any other party are hereby Disallowed and declared void *ab initio*.
- vi. All stock certificates for Preferred Series A shares shall be deemed cancelled.

4.5.3 Impairment. The Class 5 claims are impaired.

4.6 Class 6. Super voting rights arising out of the disputed rights to Preferred Series "E" Interests of Oleum Capital, LLC.

4.6.1 Classification. Class 6 consists of Claims arising out of the disputed super voting rights granted to Preferred Series "E" Interests held by Oleum Capital, LLC.

4.6.2 Treatment. The Class 6 voting rights arising out of disputed rights to Preferred Series “E” Interests in the Debtor held by Oleum Capital, LLC are deemed void *ab initio*, disallowed and shall receive no distribution under this Plan. All stock certificates for Series E shares shall be deemed cancelled.

4.6.3 Impairment. The Class 6 claims are impaired.

4.7 Class 7. Allowed Equity Interests of Digerati Common Stock and Options to Purchase Digerati Common Stock which have not been released in the Bankruptcy Settlement Agreement.

4.7.1 Classification. Class 7 consists of the Allowed Equity Interests of issued and outstanding Digerati Common Stock and options to purchase Digerati Common Stock which have not been released in the Bankruptcy Settlement Agreement. Any options which have been granted to Arthur Smith and Antonio Estrada are cancelled.

4.7.2 Treatment. After payments are made as set forth in this Plan, Reorganized Debtor, on behalf of Class 7 will receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 20,000 as the numerator and by using the number 140,000 as the denominator. Further, the Class 7 shareholders will retain their common stock in the Debtor and therefore remain 100% of the shareholders of the Reorganized Debtor. Further, options will be recalculated to take into account the 115-1 reverse stock split which occurred prior to bankruptcy and priced at the current market value as determined by board resolution.

4.7.3 Impairment. The Class 7 Interests are unimpaired.

4.8 Class 8. Warrants Issued by Digerati prior to the Filing Date.

4.8.1 Classification. Class 8 consists of all warrants issued by Digerati prior to the Filing Date.

4.8.2 Treatment. All warrants issued by Digerati prior to the Bankruptcy Filing shall be cancelled.

4.8.3 Impairment. The Class 8 warrants are impaired.

ARTICLE 5

VOTING OF CLAIMS AND INTERESTS

5.1 Classes 1, 2, 3, 4, 5, 6 and 8 are impaired and therefore are entitled to vote on this Plan. Class 7 is unimpaired. Therefore, it is not entitled to vote and is deemed to have accepted the Plan. Accordingly, the acceptances of Classes 1, 2, 3, 4, 5, 6 and 8 must be solicited.

ARTICLE 6

MEANS FOR EXECUTION OF PLAN

6.1 Bankruptcy Settlement Agreement.

6.1.1 All terms of the Bankruptcy Settlement Agreement, whether or not set forth in the Plan, are hereby incorporated into the Plan.

(i)

6.1.2 All Parties to the Bankruptcy Settlement Agreement other than the Debtor, Dishon Disposal, Inc. and Hurley Enterprises, Inc., with any known or unknown interests not included in the Allowed Secured Claims and Allowed Equity Interests above are waiving any claim, right, interests of any kind including any equity interest in or against the Debtor, Hurley Enterprises, Inc., and Dishon Disposal, Inc., and assign to the Debtor any interest they have to assert any equity interests, rights, interests of any kind, or claims in or against the Debtor, Hurley Enterprises, Inc., and/or Dishon Disposal, Inc., other than those claims, rights and/or interests specifically excepted by Exhibit A attached to the Bankruptcy Settlement Agreement or which were transferred to the Allowed Secured Creditors in the Rule 11 Mediated Settlement Agreement. It is specifically agreed that all claims and/or interests including 100% of the stock in the Debtor owned by Oleum Capital, LLC and transferred pursuant to the Rule 11 Mediated Settlement Agreement are hereby irrevocably transferred to the Debtor for the purpose of canceling the shares and such shares shall be cancelled.

(i) all ownership interests that Digerati or Hurley has in the assets listed on Exhibit A to the Bankruptcy Settlement Agreement shall be transferred to Vess Hurley.

6.1.3 Any proofs of claim other than the Allowed Secured Claims, transferred or to be transferred pursuant to the Rule 11

Mediated Settlement Agreement shall not receive any distributions pursuant to the terms of this Plan.

- 6.1.4 All Parties hereto, acknowledge that any contracts between Hurley Enterprises, Inc. and/or Dishon Disposal, Inc. with Special Waste Management Services, Inc., Perfect Circle Water Systems, Inc., MCI Partners, LLC and its affiliates shall be canceled and void.
- 6.1.5 Debtor, Hurley Enterprises, Inc., Dishon Disposal, Inc. and Allowed Secured Creditors shall jointly cause any existing contracts with Perfect Circle Waters Systems, Inc. and Special Waste Management, Inc. to be cancelled.
- 6.1.6 Sheyenne Hurley and/or Hurley Fairview, LLC shall pay or cause to be paid any shareholder loans and/or director/officer loans to Vess Hurley, Sheyenne Hurley and/or Hurley Fairview, LLC from Hurley Enterprises, Inc., incurred after November 26, 2012, in the amount set forth in the final audit prepared by the auditors, or as shown in the books and records of Hurley Enterprises, Inc. after a review by a Certified Public Accountant, as well as any loans made to said persons in 2013 (“Hurley Shareholder’s Loans”), which shall be paid out of the sale proceeds of the closing of the sale of Digerati’s interest in Hurley Enterprises, Inc. In the event that the Debtor’s interests in Hurley Enterprises, Inc. are not sold, the Debtor and Hurley Enterprises, Inc. retain any and all rights and remedies they may have under law to collect the Hurley Shareholder’s Loans.
- 6.1.7 Terry Dishon and Riverfront Capital, LLC shall pay or cause to be paid any shareholder loans, if any, made to said persons in 2013 (“Dishon Shareholder’s Loans”), which shall be paid out of the sale proceeds of the closing of the sale of Digerati’s interest in Dishon Disposal, Inc. In the event that the Debtor’s interests in Dishon Disposal, Inc. are not sold, the Debtor and Dishon Disposal, Inc. retain any and all rights and remedies they may have under law to collect the Dishon Shareholder’s Loans.

6.2 Creation of Grantor Trust. The stock of Hurley and Dishon shall be transferred to the Grantor Trust subject to existing liens and shall remain property of the estate until sold and shall not vest in the Reorganized Debtor. The Retained Litigation Claims shall also be transferred to the Grantor Trust. A copy of the trust agreement is attached hereto as Exhibit 2 and made a part hereof. The Trustee of

the trust shall be Arthur L. Smith. The beneficiary of the Trust shall be the Reorganized Debtor.

6.3 Sale of Hurley and Dishon.

- 6.3.1 In accordance with 11 U.S.C. §§1123(a)(5)(D) and 1141(c) and pursuant to Bankruptcy Court order upon motion and notice to all interested parties, the Trustee of the Grantor Trust shall sell the stock or assets of Hurley and Dishon free clear of all liens, claims and encumbrances of the Debtor. Upon each Closing Date, all right, title and interest of the Debtor and its Estate in and to Hurley or Dishon, as applicable, shall vest in the respective Purchaser free and clear of all Claims, Liens, encumbrances, interests, restrictions, easements, leases, tenancies, agreements of sale and other title objections. At each Closing Date, respective holders of Liens against the stock of Hurley or Dishon, as applicable, shall release their Liens as provided in this Plan, and such holders shall execute any instruments reasonably requested to confirm and/or effectuate such release. Liens shall attach to the Net Sale Proceeds in the same priority as they previously attached to the underlying collateral subject to the Dishon Carve Out or the Hurley Carve Out.
- 6.3.2 Pursuant to the Bankruptcy Settlement Agreement, the Holder of the Class 1 Allowed Secured Claims may credit bid at any sale of Dishon. If the Holder of the Class 1 Claim is the successful credit bidder at a sale, he agrees to pay the Dishon Plan Carve Out to the Reorganized Debtor for the payment of Allowed Administrative Expenses for professional fees and to pay other Allowed Claims. The parties hereto acknowledge that the Dishon Plan Carve Out may be funded by the Financing Alternative.
- 6.3.3 Pursuant to the Bankruptcy Settlement Agreement, the Holders of the Class 2 Allowed Secured Claims may credit bid at any sale of Hurley. If the Holders of the Class 2 Claims are the successful credit bidders at a sale, they agree to pay the Hurley Plan Carve Out to the Reorganized Debtor for the payment of Allowed Administrative Expenses for professional fees and to pay other Allowed Claims. The parties hereto acknowledge that the Hurley Plan Carve Out may be funded by the Financing Alternative.

6.4 Net Sales Proceeds of Hurley and Dishon Sales. The Net Sales Proceeds of the Hurley Sale and the Dishon Sale shall be transferred to the Disbursing Agent on behalf of the Reorganized Debtor solely for distribution in accordance with the terms of Articles 3 and 4. After entry of the Confirmation Order or the Sale Approval Orders, the sales of Hurley and Dishon, as the case may be, shall be consummated at the Closings pursuant to Sections 1123(a)(5)(D) and 1141(c) of the Bankruptcy Code, as applicable. The Sale Approval Orders or the Confirmation Order, as the case may be, shall contain such terms and provisions as are necessary to effectuate the Hurley Sale and Dishon Sale. The Confirmation Order or the Sale Approval Orders shall authorize and direct the Trustee of the Grantor Trust to take all actions and steps necessary to consummate the Hurley Sale and the Dishon Sale.

6.5 Financing Alternative. As an alternative to use of the Net Sales Proceeds to fund payments under this Plan, the Reorganized Debtor, the Holder of the Class 1 Claim, and/or the Holders of the Class 2 Claims are authorized to obtain financing to fund the Dishon Plan Carve Out and/or the Hurley Plan Carve Out prior to or simultaneously with payments the Holders of the Class 1 and/or Class 2 Claims are required to make under the terms of Rule 11 Mediated Settlement Agreement. It is specifically understood that this authorization includes obtaining financing for the Hurley Plan Carve Out and/or the Dishon Plan Carve Out and/or the payments the Holders of the Class 1 and/or Class 2 Claims are required to make under the terms of the Rule 11 Mediated Settlement Agreement. To the extent financing is obtained by pledging the assets of Hurley and/or Dishon, the Holders of the Class 1 and/or Class 2 Claims agree to either (i) pay such liens off from the Net Sales Proceeds payable to them hereunder; or (ii) reduce the amount of their Allowed Secured Claims by the amount of financing obtained. Digerati hereby agrees to use its best efforts to work with the Holders of the Allowed Class 1 and Class 2 Secured Claims to obtain this financing.

6.6 Vesting of Property of the Estate in Reorganized Debtor. On the Confirmation Date of the Plan, except as otherwise provided by the terms of the Plan, all property of the Debtor and of its Estate shall vest in the Reorganized Debtor including but not limited to the common stock in its remaining subsidiary Shift8 Technologies, Inc., and any causes of action described in the Disclosure Statement, free and clear of liens, claims and encumbrances, except those causes of action which have been released pursuant to the Bankruptcy Settlement Agreement.

6.7 Continuation of Business Operations. From and after the Confirmation Date of the Plan, the Reorganized Debtor shall be authorized to continue its normal business operations in accordance with the budget attached hereto as Exhibit 3. To the extent funds are not available to satisfy the budgeted expenses, upon ten days notice from the Reorganized Debtor, Dishon shall wire transfer 50% and Hurley shall wire 50% of the funds needed to operate provided

cash is available. This requirement of Dishon and/or Hurley to fund these expenses shall end when Dishon and/or Hurley are sold. Reorganized Debtor shall enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the Bankruptcy Code, except to the extent otherwise provided in the Plan.

6.8 Directors and Officers of Reorganized Debtor. Arthur L. Smith and Antonio Estrada are authorized to continue as the Directors and Officers of the Reorganized Debtor from and after the Confirmation Date of the Plan. ~~Nothing~~ Nothing herein shall abrogate the rights of shareholders under Digerati's articles of incorporation, by-laws or Nevada law to vote to remove them as officers and directors.

6.9 Disbursing Agent. The Trustee of the Grantor Trust shall act as the Disbursing Agent on behalf of the Reorganized Debtor.

6.10 Exclusive Rights and Duties of the Disbursing Agent. The duties of the Disbursing Agent shall be as follows:

6.10.1 Distribution to Creditors with Administrative Claims. In accordance with Article 3 of the Plan the Disbursing Agent shall pay the Administrative and Priority Claims first out of Cash on hand generated from operations, the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out or the Financing Alternative.

6.10.2 Distributions to Creditors with Allowed Claims. The Disbursing Agent shall have the sole right and duty to make the distributions provided for hereunder as set forth in Article 4 of the Plan from the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out or the Financing Alternative.

6.10.3 Distribution to Creditors with Disputed Claims that Subsequently Become Allowed Claims. Payment to each holder of a Disputed Claim, to the extent it ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the class of claims to which the disputed claim belongs. Payments shall be made fifteen days after the Disputed Claims become Allowed Claims.

6.11 Powers of the Disbursing Agent. The Disbursing Agent shall have full power and authority to do the following.

6.11.1 Make disbursements to Administrative and Priority Creditors in accordance with Article 3 and other Creditors in accordance with Article 4 of the Plan.

6.11.2 File all reports required under law, including state and federal tax returns, and to pay all taxes incurred by the Bankruptcy Estate.

6.11.3 Dismiss with prejudice Litigation Opponent Claims against the Litigation Opponents, as provided for in the Bankruptcy Settlement Agreement.

6.11.4 Prosecute the Retained Litigation Claims.

6.11.5 Take any and all actions, including the filing or defense of any civil actions or Claim objections necessary to accomplish the above.

6.11.6 Employ and pay reasonable fees and expenses of such attorneys, accountants, and other professionals, as may be deemed necessary to accomplish the above and shall be entitled to reserve sufficient Cash from the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out or the Financing Alternative to pay the projected fees and costs to such Professionals on a post-confirmation basis, and shall be authorized to purchase insurance with such coverage and limits as are reasonably necessary, including covering liabilities incurred in connection with its service as Disbursing Agent.

6.11.7 Suspend distribution to any Creditor that has not provided the Disbursing Agent with its Federal Tax Identification number or social security number, as the case may be.

6.12 Presumption of Disbursing Agent's Authority. In no case shall any party dealing with the Disbursing Agent in any manner whatsoever be obligated to see that the terms of its engagement have been complied with, or be obligated or privileged to inquire into the necessity or expediency of any act of the Disbursing Agent, or to inquire into any other limitation or restriction of the power and authority of the Disbursing Agent, but as to any party dealing with the Disbursing Agent in any manner whatsoever in relation to the assets, the power of the Disbursing Agent to act or otherwise deal with said property shall be absolute except as provided under the terms of the Plan.

6.12.1 The Disbursing Agent shall not be liable for any act the Disbursing Agent may do or omit to do as Disbursing Agent hereunder while acting in good faith and in the exercise of the best judgment of the Disbursing Agent and the fact that such act or omission was advised, directed or approved by an attorney acting as attorney for the

Disbursing Agent, shall be evidence of such good faith and best judgment.

6.13 Establishment and Maintenance of Disputed Claims and Disputed Equity Interest Reserve:

- 6.13.1 Distributions made in respect of any Disputed Claims or Disputed Equity Interests shall not be distributed, but shall instead be deposited by the Disbursing Agent into an interest-bearing account styled “Disputed Claims/Interests Reserve”. The funds in this account shall be held in trust for the benefit of the Holders of all Disputed Claims and Disputed Equity Interests.
- 6.13.2 Unless and until the Bankruptcy Court shall determine that a good and sufficient reserve for any Disputed Claim or Disputed Equity Interest is less than the full amount thereof, the calculations required by the Plan to determine the amount of the distributions due to the Holders of Allowed Claims and Allowed Equity Interests to be reserved for Disputed Claims and Disputed Equity Interests shall be made as if all Disputed Claims and Disputed Equity Interests were Allowed Claims and Allowed Equity Interests in the full amount claimed by the Holders thereof. No payment or distribution shall be made with respect to any Claim or Equity Interest to the extent it is a Disputed Claim or Equity Interests unless and until such Disputed Claim or Disputed Equity Interests becomes an Allowed Claim.
- 6.13.3 At such time as a Disputed Claim or Disputed Equity Interest becomes an Allowed Claim or Allowed Equity Interest the distributions due on account of such Allowed Claim or Allowed Equity Interest and accumulated by the Debtor (including the Pro Rata share of any dividends or interest earned in respect of such distributions) shall be released from the account and paid by the Debtor to the Holder of such Allowed Claim or Allowed Equity Interest.
- 6.13.4 At such time as any Disputed Claim or Disputed Equity Interest is finally determined not to be an Allowed Claim, the amount on reserve in respect thereof shall be released from the account and returned to Debtor for distribution under the terms hereof.

6.13.5 The Disbursing Agent shall not be required to withhold funds or consideration, designate reserves, or make other provisions for the payment of any Claims or Equity Interests that have been Disallowed by a Final Order of the Bankruptcy Court as of any applicable time for distribution under the Plan, unless the Bankruptcy Court orders otherwise or unless the Court's order of disallowance has been stayed

6.14 Delivery of Distributions. Subject to Bankruptcy Rule 9010 and the provisions of the Plan, distributions to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the proofs of Claim filed by such Holders (or at the last known addresses of such a Holder if no proof of Claim or proof of Equity Interest is filed or if the Disbursing Agent has been notified in writing of a change of address), except as provided below. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder without interest. Amounts in respect of undeliverable distributions shall be returned to the Disbursing Agent until such distributions are claimed.

6.15 Time Bar for Cash Payments. Checks issued by the Disbursing Agent in respect of Allowed Claims shall be null and void if not negotiated within six months after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the Holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before the later of (a) the first anniversary of the Confirmation Date or (b) ninety (90) days after the date of reissuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

6.16 Unclaimed Property. If any Person entitled to receive distributions under the Plan cannot be located within a reasonable period of time after the Confirmation Date, the distributions such Person would be entitled to receive shall be held by the Disbursing Agent in a segregated interest-bearing account. If the Person entitled to any such distributions is located within six months after the Confirmation Date, such distributions, together with any dividends and interest earned thereon, shall be paid and distributed to such Person. If such Person cannot be located within such period, such distributions and any dividends and interest thereof shall be returned to the Reorganized Digerati and such Person shall have waived and forfeited its right to such distributions. Nothing contained in this Plan shall require the Disbursing Agent to attempt to locate such Person. It is the obligation of each Person claiming rights under the Plan to keep the Disbursing Agent advised of current address by sending written notice of any changes to the Disbursing Agent.

6.17 Minimum Payment. The minimum amount of any distribution shall be \$25. If a payment anticipated by the Plan is due in an amount less than \$25, then such payments is hereby waived and the funds shall be retained by the Reorganized Digerati.

6.18 Fractional Dollars. Any other provision of the Plan notwithstanding, no payments of fractional dollars will be made to any Holder of an Allowed Claim. Whenever any payment of a fraction of a dollar to any holder of an Allowed Claim would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down).

6.19 Distribution Dates. Whenever any distribution to be made under the Plan is due on a day other than a Business Day, such distribution will instead be made, without penalty or interest, on the next Business Day. The Bankruptcy Court shall retain power, after the Confirmation Date, to extend distribution dates for cause, upon motion and after notice and a hearing (as defined in Bankruptcy Code Section 102) to affected parties.

6.20 Orders Respecting Sales, Claims and Equity Interest Distributions. After confirmation of the Plan, the Bankruptcy Court shall retain jurisdiction to enter Sale Approval Orders, as well as orders in aid of consummation of the Plan respecting distributions under the Plan and to resolve any disputes concerning distributions under the Plan.

6.21 Agreements, Instruments and Documents. All agreements, instruments and documents required under the Plan to be executed or implemented, together with such others as may be necessary, useful, or appropriate in order to effectuate the Plan shall be executed on or before the Confirmation Date or as soon thereafter as is practicable. The Reorganized Debtor shall have a power of attorney, coupled with an interest, to execute and deliver any Plan Document to the extent that counterparty to such document fails to execute and deliver any document required to effectuate the Plan following 20 days written notice and request to such counterparty. The preceding sentence does not apply to the parties to the Bankruptcy Settlement Agreement.

6.22 Further Authorization. The Reorganized Debtor shall be entitled to seek such orders, judgments, injunctions, and rulings from the Bankruptcy Court, in addition to those specifically listed in the Plan, as may be necessary to carry out the intentions and purposes, and to give full effect to the provisions, of the Plan. The Bankruptcy Court shall retain jurisdiction to enter such orders, judgments, injunctions and rulings. This provision is not intended to modify the Bankruptcy Settlement Agreement. Any dispute concerning the Bankruptcy Settlement Agreement shall be resolved by binding arbitration as set forth therein.

6.23 Reorganized Debtor Corporate Governance. On the Confirmation Date, the Reorganized Debtor shall have 1,985,635 shares of common stock which constitute 100% of the ownership of Digerati. The Holders of Preferred Series A and E shares shall have no ownership or voting rights in the Reorganized Debtor. There will not be any preferred stock or warrants to purchase common stock issued or outstanding in the Reorganized Debtor.

ARTICLE 7

CRAMDOWN AND CLAIMS ALLOWANCE

7.1 Cramdown. In the event any Class rejects the Plan, the Debtor will seek to invoke the provisions of Section 1129(b) of the Bankruptcy Code and confirm the Plan notwithstanding the rejection of the Plan by any Class of Claims or Interests.

IN THE EVENT ANY CLASS REJECTS THE PLAN THE DEBTOR WILL SEEK TO INVOKE THE PROVISIONS OF 11 U.S.C. §1129(b) AND CONFIRM THE PLAN OVER THE REJECTION OF THE CLASS OR CLASSES. THE TREATMENT AFFORDED EACH CREDITOR IN EACH CLASS IN THE EVENT OF A CRAMDOWN WILL BE THE SAME AS THAT PROVIDED FOR IN THE PLAN AS THE CASE MAY BE.

7.2 Allowance of Claims under the Plan. Allowance is a procedure whereby the Bankruptcy Court determines the amount and enforceability of Claims against the Debtor, if the parties cannot agree upon such allowance. It is expected that the Debtor and/or the Disbursing Agent will file objections to Claims of Creditors, if any are deemed necessary, before and after confirmation of the Plan. The Plan merely provides for payment of Allowed Claims, but does not attempt to pre-approve the allowance of any Claims.

7.3 Objection Deadline. As soon as practicable, but in no event later than one hundred twenty (120) days after the Confirmation Date, unless extended by order of the Bankruptcy Court for cause, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made.

7.4 Prosecution of Objections. On and after the Confirmation Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claims and Litigation Opponent Claims or other claims or causes of action preserved by the Plan and Disclosure Statement may be made by the Reorganized Debtor and/or Disbursing Agent. Neither the Reorganized Debtor nor the Disbursing Agent will pursue claims resolved pursuant to the Bankruptcy Settlement Agreement or the Rule 11 Mediated Settlement Agreement,

except against any party who breached those agreements as determined in accordance with the binding arbitration provisions set forth therein.

ARTICLE 8

DEFAULT

8.1 If any of the following events occur, the Reorganized Debtor will be in breach of this Plan (“Default”):

8.1.1 Failure to pay any amount due under the Plan when due; or

8.1.2 Breach or violation of a material covenant or uncured default under the Plan, including failure to pay amounts due.

8.2 Should the Reorganized Debtor be in breach or violation under the foregoing paragraph, or Default has occurred and thereafter the Reorganized Debtor fails to remedy or resolve such breach within sixty (60) days from the date of receipt of written notice of such breach, violation or default, then any Creditor owed a distribution, which the Reorganized Debtor fails to make when due, at its option, may declare that the Reorganized Debtor is in default of this Plan.

ARTICLE 9

EXECUTORY CONTRACTS AND LEASES

9.1 The Debtor hereby assumes the executory contracts and leases set forth in Exhibit 5 and any executory contracts and leases previously assumed pursuant to bankruptcy court order. All licenses issued to the Debtor by governmental authorities are assumed.

9.2 The Debtor hereby rejects executory contracts listed on Exhibit 6 along with any and all other leases or executory contracts not otherwise assumed in this Plan or by prior Court order.

9.3 Any Claims arising from rejection of an executory contract or lease must be filed on or before 20 days from the Confirmation Date. Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Claims arising from rejection, if timely filed and allowed, will be treated as General Unsecured Claims.

9.4 Except as specifically provided for herein, the Debtor shall pay all cure claims in the amount listed on Exhibit 5 on or before 30 days after the Administrative Claims Bar Date set in paragraphs 3.1 and 3.2 herein, unless a Claim is filed before the Administrative Claims Bar Date in an amount different

from that set forth on Exhibit 5, in which case the cure claim will be paid when and if allowed by Final Order of the Bankruptcy Court.

ARTICLE 10
MODIFICATION OF THE PLAN

10.1 The Debtor may propose amendments and modifications of this Plan prior to the Confirmation Date with leave of the Bankruptcy Court upon appropriate notice. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, so long as it does not materially or adversely affect the interests of the Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the intent of this Plan. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, modify the Plan as to any Class, even though such modification materially affects the rights of the Creditors or Interest Holders in such Class; provided, however, that such modifications must be accepted as to Classes of Creditors by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Claims voting in each such Class and fifty-one percent (51%) in number of Allowed Claims voting in such Class, and as to Classes of Interest Holders by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Interests voting in each such Class; and provided, further, that additional disclosure material needed to support such modification shall be approved by the Bankruptcy Court in the manner consistent with Section 1125 of the Bankruptcy Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure. With respect to all proposed modifications to the Plan both before and after confirmation, the Debtor shall comply with the requirements of Section 1127 of the Bankruptcy Code.

ARTICLE 11
CONDITIONS PRECEDENT

11.1 Conditions to Confirmation. Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to the Debtor shall have been satisfied. In addition, if confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

11.2 Waiver and Nonfulfillment of Conditions to Confirmation. Nonfulfillment of any condition to confirmation of the Plan may be waived only by the Debtor. In the event the Debtor determines that the conditions to the Plan's confirmation which it may waive cannot be satisfied and should not, in its sole

discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

11.3 Confirmation Order Provisions for Pre-Effective Date Actions. The Confirmation Order shall empower and authorize the Debtor to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

11.4 Conditions to the Confirmation Date. The following are conditions precedent to the effectiveness of the Plan: (i) in accordance with Sections 4.2 and 5.20 of the Rule 11 Mediated Settlement Agreement, all stock being purchased or transferred is assigned to Digerati; (ii) the Plan is confirmed and the Bankruptcy Court shall have entered the Confirmation Order, which shall have become a Final Order; and (iii) Debtor does not withdraw the Plan at any time prior to the Confirmation Date.

11.5 Waiver and Nonfulfillment of Conditions to Confirmation Date. Nonfulfillment of any condition set forth in the immediately foregoing paragraph of the Plan may be waived only by the Debtor. In the event that the Debtor determines that the conditions to the Plan's Confirmation Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied and should not, in its sole discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

ARTICLE 12

JURISDICTION OF THE BANKRUPTCY COURT

12.1 Notwithstanding entry of the Confirmation Order or the Effective Date having occurred, the Bankruptcy Court shall retain exclusive jurisdiction of this case after the Confirmation Date with respect to the following matters:

12.1.1 Subject to Section 2.1.2, to allow, disallow, reconsider (subject to Bankruptcy Code Section 502(j) and the applicable Bankruptcy Rules) Claims or Equity Interests and to hear and determine any controversies pertaining thereto;

12.1.2 Subject to Section 2.1.2, to estimate, liquidate, classify or determine any Claim or Equity Interest against the Debtor, including claims for compensation or reimbursement;

12.1.3 To enter the Sale Approval Orders in accordance with Sections 1123(a)(5)(D) and 1141(c);

12.1.4 To resolve controversies and disputes regarding the interpretation and implementation of the Plan, including entering orders to aid, interpret or enforce the Plan and to protect the Debtor and any other entity having rights under the Plan as may be necessary to implement the Plan unless such dispute is covered by the arbitration provision of the Bankruptcy Settlement Agreement in which case such dispute shall be resolved according to the binding arbitration provision contained therein;

12.1.5 To hear and determine any and all applications, fee application, contested matters, or adversary proceedings arising out of or related to this Plan or this case or as otherwise might be maintainable under the applicable jurisdictional scheme of the Bankruptcy Code prior to or after confirmation and consummation of the Plan whether or not pending on the Confirmation Date;

12.1.6 To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;

12.1.7 To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim or Equity Interest;

12.1.8 To adjudicate all Claims to any lien on any of the Debtor's assets;

12.1.9 To hear and determine matters concerning state, local and federal taxes pursuant to the Bankruptcy Code, including (but not limited to) sections 346, 505 and 1146 thereof and to enter any order pursuant to Bankruptcy Code Section 505 or otherwise to determine any tax of the Debtor, whether before or after confirmation, including to determine any and all tax effects of the Plan;

12.1.10 To correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan or to modify the Plan as provided by applicable law;

12.1.11 To determine all questions and disputes regarding title to assets and shares of the Debtor, Reorganized Debtor or of the Bankruptcy Estate, as may be necessary to implement the Plan unless such dispute is covered by the arbitration provision of the Bankruptcy Settlement Agreement in which case such dispute shall be resolved according to the binding arbitration provision therein;

12.1.12 To enforce and to determine actions and disputes concerning the releases contemplated by the Plan and to require persons holding Claims being released to release Claims in compliance with the Plan unless such dispute is covered by the arbitration provision of the Bankruptcy Settlement Agreement in which case such dispute shall be resolved according to the binding arbitration provision therein;

12.1.13 To fix the value of collateral in connection with determining Claims;

12.1.14 To enter a final decree closing the case and making such final administrative provisions for the case as may be necessary or appropriate; and

12.1.15 To, even after entry of a final decree, hear any cases enforcing Bankruptcy Code section 525.

12.2 Failure of the Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under or related to the Chapter 11 case, including the matters set forth in Section 12.1 of the Plan, this Article XII shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE 13

EFFECT OF CONFIRMATION

13.1 Binding Effect. As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind the Debtor, any entity acquiring property under the Plan and any Creditor, Equity Holder of the Debtor, whether or not the Claim or Interest of such Creditor or Equity Holder is impaired under the Plan and whether or not such Creditor or Equity Holder has accepted the Plan, and the United States and any licensing authority. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Equity Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of this paragraph 13.1.

13.2 Satisfaction of Claims and Interests. **Holders of Claims and Interests shall receive the distributions provided for in this Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all Interests.**

13.3 Vesting of Property. Except as otherwise expressly provided in the Plan or the Confirmation Order, pursuant to Section 1141(b) of the Bankruptcy Code, upon the Confirmation Date, all Property of the Bankruptcy Estate shall vest in the Debtor free and clear of all Claims, liens, encumbrances, charges or other Interests of Creditors and Interest Holders. Except as otherwise expressly provided in the Plan or the Confirmation Order, all assets of the Digerati Bankruptcy Estate shall vest in the Reorganized Debtor free and clear of all Claims, liens, and encumbrances. Moreover, all licenses and permits held by the Debtor shall continue be held by them.

13.4 Discharge. Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Confirmation Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan.

13.5 Injunction. The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims against the Reorganized Debtor in any manner other than as provided for in the Plan. All Holders of Claims and Equity Interests shall be prohibited from asserting against the Debtor, Reorganized Debtor or any of its assets or properties, any other or further Claims or Equity Interests based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such Holder filed a proof of Claim or proof of Equity Interest. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan. This injunction also permits the Reorganized Debtor to enforce 11 U.S.C. §525(a) upon improper revocation or restriction of licenses.

13.6 Preservation of Setoff Rights. In the event that the Debtor has a Claim of any nature whatsoever against the Holders of Claims, the Debtor may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any Claim that the Debtor has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein. If the Debtor or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In the absence of timely objection, the

Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

13.7 Releases. Pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, the Debtor, and to the maximum extent provided by law, its agents, release and forever discharge all Avoidance Actions (except those related to the claim objection process) and other claims, including acts taken or omitted to be taken in connection with or related to filing of the Chapter 11 case, the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown, other than those resulting from willful misconduct or gross negligence:

13.7.1 Arthur L. Smith, in his individual capacity and in his capacity as an officer of Digerati and director of Digerati, Hurley Enterprises, Inc., Dishon Disposal, Inc., Antonio Estrada, in his individual capacity and in his capacity as an officer of Digerati, Murray Nye, in his individual capacity and in his capacity as an officer and/or director of Digerati, John Fleming, in his individual capacity and in his capacity as an officer and/or director of Digerati, Carol Wilson, in her individual capacity and in her capacity as a Board Secretary of Digerati, and Jennifer Abney in her individual capacity and in her capacity as an officer of Digerati, their employees, agents and representatives (“Insider Released Parties”),, in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor’s Case.

13.8 Lawsuits. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against the Debtor except proof of Claim and/or objections thereto pending in the Bankruptcy Court shall be dismissed as to the Debtor. Such dismissal shall be with prejudice to the assertion of such Claim in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by the Debtor or any entity proceeding in the name of or for the benefit of the Debtor against a person shall remain in place only with respect to the claim(s) asserted by the Debtor or such other entity, and shall become property of the Post-Confirmation Reorganized Debtor to prosecute, settle or dismiss as it sees fit, except those causes of action which have been released pursuant to the Bankruptcy Settlement Agreement.

13.9 Insurance. Confirmation and consummation of the Plan shall have no effect on insurance policies of the Debtor or Reorganized Debtor in which the Debtor or any of the Debtor's representatives or agents is or was the insured party; the Reorganized Debtor shall become the insured party under any such policies without the need of further documentation other than the Plan and entry of the Confirmation Order. Each insurance company is prohibited from denying, refusing, altering or delaying coverage on any basis regarding or related to the Debtor's bankruptcy, the Plan or any provision within the Plan.

13.10 U.S. Trustee Fees. The Debtor shall timely pay post-confirmation quarterly fees assessed pursuant to 28 U.S.C. § 1930(a)(6) until such time as the Bankruptcy Court enters a final decree closing this Chapter 11 case, or enters an order either converting these cases to cases under Chapter 7 or dismisses the cases. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and shall transmit to the United States Trustee a true and correct statement of all disbursements made by them for each month or portion thereof, which these Chapter 11 cases remain open in a format prescribed by the United States Trustee.

13.11 Term of Stays. Except as otherwise provided in the Plan, the stay provided for in this case pursuant to Bankruptcy Code Section 362 shall remain in full force and effect until the Effective Date. Notwithstanding the foregoing, if Dishon is not sold by August 31, 2014, then the stay shall terminate on August 31, 2014, to permit the then Holder of the Allowed Class 1 Claim to pursue all legal remedies applicable under law; provided further that if Hurley is not sold by August 31, 2014, then the stay shall terminate on August 31, 2014, to permit the then Holders of the Allowed Class 2 Claims to pursue all legal remedies applicable under law.

ARTICLE 14

MISCELLANEOUS PROVISIONS

14.1 Corporate Authority. All actions and transactions contemplated under the Plan shall be authorized upon confirmation of the Plan without the need of further board or stockholder resolutions, approval, notice or meetings, other than the notice provided by serving this Plan on all known Creditors of the Debtor, all Interest Holders, and all current directors of the Debtor.

14.2 Documentation. The Debtor, all Creditors and other parties in interest required to execute releases, termination statements, deeds, bills of sale or other documents required by the Plan, shall be ordered and directed to execute such documents as are necessary in order to effectuate the terms of this Plan. The Bankruptcy Court may determine that the failure of any party to execute a required document shall constitute contempt of the Bankruptcy Court's Confirmation Order, which shall require such documents to be executed in accordance with the terms of

the Plan and the Confirmation Order. On the Confirmation Date, all documents and instruments contemplated by the Plan not requiring execution and delivery prior to the Confirmation Date shall be executed and delivered by the Debtor, and Creditors, as the case may be. All Documents shall be consistent with the terms of the Plan and shall otherwise be subject to approval as to form by all respective counsel.

14.3 Integration Clause. This Plan and the Bankruptcy Settlement Agreement are a complete, whole, and integrated statement of the binding agreement between the Debtor, Creditors, Equity Interests and the parties-in-interest upon the matters herein. Parole evidence shall not be admissible in an action regarding this Plan or any of its provisions.

14.4 Primacy of the Plan and Confirmation Order. To the extent of any conflict or inconsistency between the provisions of the Plan on the one hand, and the Confirmation Order on the other hand, the provisions of the Confirmation Order shall govern and control.

14.5 Severability. Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the proponent may modify the Plan in accordance with Article 10 hereof so that such provision shall not be applicable to the Holder of any Claim or Equity Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

14.6 No Admission. Neither the filing of the Plan, nor Disclosure Statement, nor any statement or provision contained herein, nor the taking by the Debtor of any action with respect to the Plan shall (i) be or be deemed to be an admission against interest and (ii) until the Confirmation Date, be or be deemed to be a waiver of any rights which the Debtor may possess against any other party. In the event that the Confirmation Date does not occur, neither the Plan, Disclosure Statement nor any statement contained herein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside of the Debtor's case.

14.7 Bankruptcy Restrictions. From and after the Confirmation Date, the Reorganized Debtor shall no longer be subject to the restrictions and controls provided by the Bankruptcy Code or Rules, the Bankruptcy Court, or the United States Trustee's guidelines, except that Sections 1123(a)(5)(D) and 1141(c) shall apply with respect to the Hurley Sale and the Dishon Sale, and Bankruptcy Rule 9019 shall apply with respect to any settlement of a Claim or Equity Interest. No monthly operating reports will be filed after the Confirmation Date; however, the Disbursing Agent shall provide the U.S. Trustee such financial reports as provided

above and as the U.S. Trustee may reasonably request until the entry of a final decree.

14.8 Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or the law of the jurisdiction of organization of any entity, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan or the Chapter 11 case, including the documents executed pursuant to the Plan.

14.9 Closing of Case. The case shall remain open until such time as the case is fully administered in that the Hurley Sale is closed, the Dishon Sale is closed, all federal taxes due are determined and all distributions are complete. As soon as practicable after the case is fully administered, the Reorganized Debtor shall seek the entry of an Order of the Court closing this case.

14.10 Successors and Assigns. The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

14.11 Notices. All notices or requests in connection with the Plan shall be in writing and given by mail addressed to:

Edward L. Rothberg
Melissa A. Haselden
Hoover Slovacek, LLP
5847 San Felipe, Suite 2200
Houston, Texas 77057

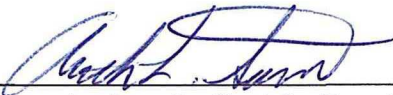
All notices and requests to Persons holding any Claim or Interest in any Class shall be sent to them at their last known address or to the last known address of their attorney of record in the case. Any such holder of Claim or Interest may designate in writing any other address for purposes of this section, which designation will be effective upon receipt by the Debtor.

14.12 Validity and Enforceability. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. Should any provision in this Plan be determined by the Court or any appellate court to be unenforceable following the Confirmation Date, such determination shall in no way limit the enforceability and operative effect of any and all other provisions of this Plan.

14.13 Plan Supplement. Any and all exhibits or schedules not filed with the Plan shall be contained in a Plan Supplement to be filed within ten (10) days of the Confirmation Hearing.

Respectfully submitted this 6th day of February, 2014.

DIGERATI TECHNOLOGIES, LLC

By: 
Arthur L. Smith, President

HOOVER SLOVACEK LLP

EDWARD L. ROTHBERG

State Bar No. 17313990

MELISSA A. HASELDEN

State Bar No. 00794778

DEIRDRE CAREY BROWN

State Bar No. 24049116

5847 San Felipe, Suite 2200

Houston, Texas 77057

Telephone: 713.977.8686

Facsimile: 713.977.5395

Email: rothberg@hooverslovacek.com

haselden@hooverslovacek.com

brown@hooverslovacek.com

ATTORNEYS FOR DEBTOR

PLAN EXHIBIT 1

BANKRUPTCY SETTLEMENT AGREEMENT



ENTERED
01/15/2014

**PLAN EXHIBIT 1
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: §
§
DIGERATI TECHNOLOGIES, INC., § **CASE NO. 13-33264-H4-11**
§
DEBTOR. § **Chapter 11**
§

ORDER APPROVING COMPROMISE AND SETTLEMENT

Pursuant to 11 U.S.C. § 102(1) and § 105(a), this Court held an emergency hearing on January 14, 2014, on the Debtor's and the Parties'¹ Emergency Motion to Approve Compromise of Controversy Under Bankruptcy Rule 9019 (the Motion), which was made orally during the continuation of this Court's hearing, on the same day, on the Debtor's Amended Motion to Approve Compromise of Controversy Under Bankruptcy Rule 9019 [Doc. No. 312]. The testimony adduced from seven witnesses in support of the settlement agreement (the Settlement Agreement), which is the subject of the Motion, meets the requirements for approval of a compromise, as outlined in *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968); *In re Jackson Brewing Co.*, 624 F.2d 605 (5th Cir. 1980); *In re of AWECO, Inc.*, 725 F.2d 293 (5th Cir. 1984); *In re Foster Mortg. Corp.*, 68 F.3d 914 (5th Cir. 1995); and *In re Cajun Elec. Power Co-Op., Inc.*, 119 F.3d 349 (5th Cir. 1997). Therefore, the Court finds that the Motion should be GRANTED and that the Settlement Agreement should be APPROVED. In approving the Settlement Agreement, the Court makes the following findings of facts and conclusions of law²:

¹ "Parties" is a defined term in the Bankruptcy Settlement Agreement ("Settlement Agreement"), which is attached hereto as Exhibit A.

² At the hearing on January 14, 2014, the Court made numerous oral findings of facts and conclusions of law, all of which are incorporated in this Order as if fully set forth herein.

1. The Debtor and the Parties have negotiated the Settlement Agreement at arm's length and in good faith;
2. The Settlement Agreement is fair and equitable;
3. The probability of success, the complexity, expense, and likely duration of litigating the Parties' claims, and all other factors relevant to a full and fair assessment of the wisdom of the Settlement Agreement have been considered by this Court and support approval of the Settlement Agreement;
4. The Settlement Agreement will facilitate the efficient administration of the bankruptcy estate; and
5. The Motion and the transactions contemplated by the Settlement Agreement are in the best interests of the Debtor, its estate, and its creditors.


Accordingly, it is:

ORDERED that the Motion is **GRANTED** and the Settlement Agreement is **APPROVED**; and it is further

ORDERED that all creditors and parties-in-interest, who are not parties to the Settlement Agreement, must file a Motion to Vacate this Order within fourteen (14) days of this Order if the creditor or party-in-interest objects to the relief granted by this Order; and it is further

ORDERED that upon entry of this Order, the Debtor shall serve this Order (including Exhibit A, which is attached hereto) upon all creditors and parties-in-interest in this Chapter 11 case.

SIGNED this 15th day of January, 2014.



Jeff Bohm
Chief United States Bankruptcy Judge

SUBMITTED BY:
Edward L. Rothberg
State Bar No. 17313990
Rothberg@hooverslovacek.com
5847 San Felipe, Suite 2200
Houston, TX 77057
Tel: (713) 977-8686
Fax: (713) 977-5395
ATTORNEY FOR THE DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

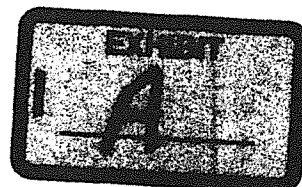
IN RE: §
§
DIGERATI TECHNOLOGIES, INC., § CASE NO. 13-33264-H4-11
§
§ (Chapter 11)
DEBTOR. §

BANKRUPTCY SETTLEMENT AGREEMENT

Subject to Bankruptcy Court approval pursuant to Bankruptcy Rule 9019, this SETTLEMENT AGREEMENT ("Bankruptcy Settlement Agreement") is made by and among Digerati Technologies, Inc., as debtor-in-possession ("Digerati" or "Debtor"), Arthur L. Smith, Antonio Estrada, Hurley Fairview, LLC, Hurley Enterprises, Inc., Hurley Family Trust, Vess Hurley, Sheyenne Rae Nelson Hurley, Dishon Disposal, Inc., Riverfront Capital, LLC, Luci Dishon, Terry Dishon, Dishon Family Heritage Trust, Southpaw Trust, Rainmaker Trust, Bert Tarrant ("Terry") Dunken, Jr., Sheryl Dunken, David Gorham, Connie Gorham, Christy Albeck, Albeck Financial Services, Inc., Hunter M. A. Carr, Recap Marketing & Consulting, LLP, Rhodes Holdings, LLC, Robert L. Sonfield, Jr., P.C. d/b/a Sonfield & Sonfield, Robert L. Sonfield, Jr., Robert C. Rhodes, American Equity Fund, LLC, Delta S Ventures, LP, Cloud Capital Corp, William E. McIlwain, John Howell, Scott A. Hepford, The Lunaria Heritage Trust, WEM Equity Capital Investments, Ltd., Rainmaker Ventures II, Ltd., and Kelley Kirker (hereinafter "Party" or "Parties").

WHEREAS, the Debtor entered into an Agreement and Plan of Reorganization by and among Digerati Technologies, Inc., Waste Deep, Inc., and the Securityholders of Waste Deep, Inc. ("Waste Deep") which is dated November 15, 2012. The Agreement and Plan of Reorganization contemplated shares to be issued in a new entity, Waste Deep, and that the Series E Preferred Stock in the Debtor would be transferred to the person or persons designated by Waste Deep and then all Waste Deep Securityholders would surrender to Digerati all certificates representing Waste Deep Securities at the closing on the Agreement and Plan of Reorganization. It also contemplated stock purchase agreements between Waste Deep and the shareholders of Hurley Enterprises, Inc. and Dishon Disposal, Inc. (the "November Transactions"); and

WHEREAS these actions resulted in Hurley Enterprises, Inc. and Dishon Disposal, Inc. becoming wholly owned subsidiaries of Digerati.



WHEREAS a Rule 11 Mediated Settlement Agreement ("Rule 11 Agreement") was entered into January 14, 2014 by various parties who are also Parties to this Bankruptcy Settlement Agreement. As such, the motion to approve the compromise with the Court for the approval of this Bankruptcy Settlement Agreement shall include a copy of the Rule 11 Agreement as an exhibit.

WHEREAS, numerous disputes exist among the parties directly and indirectly related to the November Transactions and/or the bankruptcy case and related litigation *In re: Digerati Technologies, Inc.*, USBC S.D. Tx. 13-33264 ("Bankruptcy"); and

WHEREAS, the Parties now desire to fully and finally settle and conclude all matters discussed herein for the consideration described below and to release any and all claims and counterclaims as set forth herein:

Agreed Allowed Secured Claims

1. Hurley Fairview, LLC shall have an allowed secured claim against Digerati in the amount of \$20 million plus interest, and any reasonable costs, charges and fees as may be allowable under 11 U.S.C. §506(b).
2. Sheyenne Hurley shall have an allowed secured claim against Digerati in the amount of \$10 million plus interest, and any reasonable costs, charges and fees as may be allowable under 11 U.S.C. §506(b).
3. Terry Dishon shall have an allowed secured claim against Digerati in the amount of \$30 million plus interest, and any reasonable costs, charges and fees as may be allowable under 11 U.S.C. §506(b).
4. The allowed secured claims above in paragraphs 1 through 3 are collectively defined herein as Allowed Secured Claims and the holder of such Allowed Secured Claims are defined as "Allowed Secured Creditors".

Subordination of Agreed Allowed Secured Claims

5. In the event of a sale of Dishon Disposal, Inc. to a third party for an amount that is less than payment in full of the Allowed Secured Claim of Terry Dishon, plus \$1,250,000, plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees, Terry Dishon agrees that \$1,250,000 of the actual sale proceeds plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees (the "Dishon Carve Out"), shall be retained by the Digerati bankruptcy estate for payment of allowed administrative expenses for professional fees and to pay other allowed claims. The Parties agree that the Allowed Secured Creditors may contest and file an objection to Debtor's interim or final fee applications.

6. In the event of a sale of Hurley Enterprises, Inc. to a third party for an amount that is less than payment in full of the Allowed Secured Claims of Hurley Fairview, LLC and Sheyenne Hurley, plus \$1,250,000, plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees, Hurley Fairview, LLC and Sheyenne Hurley agree that \$1,250,000 of the actual sale proceeds plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees (the "Hurley Carve Out"), shall be retained by the Digerati bankruptcy estate for payment of allowed administrative expenses for professional fees and to pay other allowed claims. The Parties agree that the Allowed Secured Creditors may contest and file an objection to Debtor's interim or final fee applications.

Credit Bid and Related Rights

7. Terry Dishon may credit bid at any sale of Dishon Disposal, Inc. If Terry Dishon is the successful credit bidder at a sale, he agrees to pay the Dishon Plan Carve Out, defined above, to the Digerati bankruptcy estate for the payment of fifty percent of the unpaid professional fees entitled to administrative expense priority and to pay other allowed claims. In the event of a successful credit bid by Terry Dishon, the Parties hereto acknowledge that the Dishon Plan Carve Out and/or the amounts due by Terry Dishon under the Rule 11 Agreement may be funded by finance or refinance proceeds. As such, Digerati hereby agrees to use its best efforts to assist Terry Dishon to obtain financing through Dishon Disposal, Inc. to pay the Dishon Plan Carve Out and/or the amounts due by Terry Dishon under the Rule 11 Agreement.
8. Hurley Fairview, LLC and Sheyenne Hurley may credit bid at any sale of Hurley Enterprises, Inc. If Hurley Fairview, LLC and Sheyenne Hurley are the successful credit bidders at a sale, they agree to pay the Hurley Plan Carve Out to the Digerati bankruptcy estate for the payment of fifty percent of the unpaid professional fees entitled to administrative expense priority and to pay other allowed claims. In the event of a successful credit bid by Hurley Fairview, LLC and Sheyenne Hurley, the Parties hereto acknowledge that the Hurley Plan Carve Out and/or the amounts due under the Rule 11 Agreement may be funded by finance or refinance proceeds. As such, Digerati hereby agrees to use its best efforts to assist Hurley Fairview, LLC and Sheyenne Hurley in obtaining financing through Hurley to pay the Hurley Plan Carve Out and/or the amounts due by Hurley Fairview, LLC and Sheyenne Hurley under the Rule 11 Agreement.

Allowed Equity Interests

9. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Hurley Fairview, LLC shall receive a pro-rata share of Surplus Net Sales Proceeds calculated by using the number 40,000 as the numerator and by using the number 140,000 as the denominator.
10. Surplus Net Sales Proceeds shall mean the surplus of the sale proceeds of Hurley

Enterprises, Inc. and Dishon Disposal, Inc. after all senior claims are paid in full.

11. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Terry Dishon shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 20,000 as the numerator and by using the number 140,000 as the denominator.
12. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Sheyenne Hurley shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 20,000 as the numerator and by using the number 140,000 as the denominator.
13. In exchange for the rescission of any claim to any rights arising out of the Preferred Series A Interests, Riverfront Capital, LLC shall receive a Pro-Rata share of Surplus Net Sales Proceeds calculated by using the number 40,000 as the numerator and by using the number 140,000 as the denominator.
14. Arthur L. Smith and Antonio Estrada, WEM Equity Capital Investments, Ltd., Rainmaker Ventures II, Ltd., and Recap Marketing and Consulting, LLP, shall have an allowed claim for their equity interests in common stock issued prior to the November Transactions, but shall not have an allowed claim for any Preferred A shares.
15. Pursuant to the terms of this Bankruptcy Settlement Agreement, the holders of allowed equity interests agree not to sell, transfer or assign any shares in the Debtor, except to the Debtor, until after the Debtor's interest in Hurley Enterprises, Inc. and Dishon Disposal, Inc. is sold OR for one year from the approval of this Bankruptcy Settlement Agreement, whichever occurs first. Nothing in this section shall be construed to impair the Allowed Secured Creditors' rights to protect and preserve the collateral and their interests in and to that collateral.
16. The Allowed Equity Interests above in paragraphs 9 through 14 are collectively defined herein as "Allowed Equity Interests."
17. The Parties agree that any holder of an Allowed Equity Interest may contest and file an objection to Debtor's interim or final fee applications.

Assignment of Equity, Claims, Rights and/or Interests

18. All Parties other than the Debtor, Dishon Disposal, Inc. and Hurley Enterprises, Inc., with any known or unknown interests not included in the Allowed Secured Claims and Allowed Equity Interests above are waiving any claim, right, interests of any kind

including any equity interest in or against the Debtor, Hurley Enterprises, Inc., and Dishon Disposal, Inc., and assign to the Debtor any interest they have to assert any equity interests, rights, interests of any kind, or claims in or against the Debtor, Hurley Enterprises, Inc., and/or Dishon Disposal, Inc., other than those claims, rights and/or interests specifically excepted by Exhibit A attached hereto or which were transferred to the Allowed Secured Creditors in the Rule 11 Agreement. It is specifically agreed that all claims and/or interests including 100% of the stock in the Debtor owned by Oleum Capital, LLC and transferred pursuant to the Rule 11 Agreement are hereby irrevocably transferred to the Debtor for the purpose of canceling the shares and such shares shall be cancelled.

19. At the conclusion of all lawsuits referred to herein and after the applicable ethical, legal and/or regulatory duty to maintain records, each Party will return all original production documents and all production information in whatever method same is stored to the producing party or will destroy said information pursuant to the terms of the Protective Order entered in the Bankruptcy (Doc. No. 338). This provision includes documents in any litigation involving the Parties' Attorneys for any Party may maintain documents until all payments of the obligations under this Bankruptcy Settlement Agreement and Rule 11 Agreement have been performed in full.
20. Any proofs of claim other than the Allowed Secured Claims, (i.e. the Secured Creditors secured claims in the Rule 11 Agreement), transferred or to be transferred pursuant to the Rule 11 Agreement shall not receive any distributions pursuant to the terms of Digerati's confirmed Plan. If Digerati does not confirm a plan within the time frames set forth in paragraph 57, then the holders of the transferred claims may assert them in any appropriate forum allowed by law.

Subsidiary Leases and Contracts

21. All Parties hereto, acknowledge that any contracts between Hurley Enterprises, Inc. and/or Dishon Disposal, Inc. with Special Waste Management Services, Inc., Perfect Circle Water Systems, Inc. ("Perfect Circle"), MCI Partners, LLC and its affiliates shall be canceled and void.
22. Debtor, Hurley Enterprises, Inc., Dishon Disposal, Inc. and Allowed Secured Creditors shall jointly cause any existing contracts with Perfect Circle Water Systems, Inc. and Special Waste Management Services, Inc. to be cancelled.

Financial Controls and Tax Returns

23. Hurley Enterprises, Inc. and Dishon Disposal, Inc. shall outsource accounting management services to a person or firm with GAAP and financial reporting experience to implement controls, document procedures and improve the current processes. These

services shall remain in place until the sale of Digerati's interests is completed and/or until the Debtor, Dishon Disposal, Inc. and Hurley Enterprises, mutually agree that the accounting management services are no longer necessary. Dishon Disposal, Inc. and Hurley Enterprises, Inc., will also implement reasonable financial controls recommended by their auditors.

24. Concerns were raised regarding transfers made from Hurley Enterprises, Inc. and Dishon Disposal, Inc. to Gorham and/or entities controlled by Gorham, which were identified in the audit process of Hurley Enterprises, Inc. and Dishon Disposal, Inc. In the event that the Allowed Secured Creditors or their auditors have a concern with Gorham's accounting of such funds, the Allowed Secured Creditors shall have the sole right to pursue and recover the transfers and Hurley Enterprise, Inc. and Dishon Disposal, Inc. may demand an accounting. Any such disputes related thereto shall be subject to the Arbitration provision herein.

Cooperation in Sale Process

25. The Chapter 11 Plan to be filed by the Debtor will provide for the sale of Hurley Enterprises, Inc. and Dishon Disposal, Inc. The Allowed Secured Creditors and Allowed Equity Interest holders agree to provide reasonable good faith cooperation to assist in the Debtor's sale of its interests in Hurley Enterprises, Inc. and Dishon Disposal, Inc. The other Parties to the Agreement shall not interfere with the Plan approval process, so long as any Plan or Proposed Plan is consistent with this Bankruptcy Settlement Agreement and the Rule 11 Agreement. The Chapter 11 Plan shall have a provision that allows the Allowed Secured Creditors to obtain financing to fund the Rule 11 Agreement via Hurley Enterprises, Inc. and/or Dishon Disposal, Inc. subject to the terms provided for in such Plan whereby any payments made by the Allowed Secured Creditors, Luci Dishon, Vess Hurley or their affiliates shall be deducted from the amounts due to the Allowed Secured Creditors pursuant to the distribution provisions of the Plan.
26. In order to facilitate the sale process, for a period of six months commencing upon the earlier of approval of this Bankruptcy Settlement Agreement or February 15, 2014, Dishon Disposal, Inc. agrees to continue operating in the ordinary course with proper corporate governance until a sale of Digerati's interest. This provision means that existing management personnel, including but not limited to Terry Dishon and Luci Dishon, shall continue operating Dishon Disposal, Inc. in the ordinary course of business; provided however, that management personnel may be terminated for cause. Dishon Disposal, Inc. agrees to notify and obtain consent from the Debtor relative to transactions that are not in the ordinary course of business, which such consent shall not be unreasonably withheld, conditioned or delayed. Nothing herein shall constitute a waiver of any Allowed Secured Creditors' rights under 11 USC 362, except to the extent not inconsistent with the obligation to assist in the sale of the companies.
27. For a period of six months which shall commence one week after Herrera Partners, by and through Finley Biggerstaff, is permitted to visit Hurley Enterprises, Inc. and meet

with Sheyenne Hurley for a reasonable amount of time and who will provide Biggerstaff with copies of data requested by Herrera Partners in order to prepare its Confidential Information Memorandum, Hurley Enterprises, Inc. shall continue operating in the ordinary course with proper corporate governance and management/personnel until a sale of Digerati's interest in Hurley Enterprises, Inc. is finalized. This provision means that existing management personnel, including but not limited to Vess Hurley and Sheyenne Hurley, shall continue operating Hurley Enterprises, Inc. in the ordinary course of business; provided however, that management personnel may be terminated for cause. Hurley Enterprises, Inc. agrees to notify and obtain consent from the Debtor relative to transactions that are not in the ordinary course of business, which such consent shall not be unreasonably withheld, conditioned or delayed. Nothing herein shall constitute a waiver of any Allowed Secured Creditors' rights under 11 USC 362, except to the extent not inconsistent with the obligation to assist in the sale of the companies.

28. Gorham agrees to cooperate with the sale process and shall not interfere with the sale process.

Shareholder Loans

29. Sheyenne Hurley and/or Hurley Fairview, LLC shall pay or cause to be paid any shareholder loans and/or director/officer loans to Vess Hurley, Sheyenne Hurley and/or Hurley Fairview, LLC from Hurley Enterprises, Inc., incurred after November 26, 2012, in the amount set forth in the final audit prepared by the auditors or as shown in the books and records of Hurley Enterprises, Inc. after a review by a Certified Public Accountant, as well as any loans made to said persons in 2013 ("Hurley Shareholder's Loans"), which shall be paid out of the sale proceeds of the closing of the sale of Digerati's interest in Hurley Enterprises, Inc. In the event that the Debtor's interests in Hurley Enterprises, Inc. are not sold, the Debtor and Hurley Enterprises, Inc. retain any and all rights and remedies they may have under law to collect the Hurley Shareholder's Loans.
30. Terry Dishon and Riverfront Capital, LLC shall pay or cause to be paid any shareholder loans, if any, made to said persons in 2013 ("Dishon Shareholder's Loans"), which shall be paid out of the sale proceeds of the closing of the sale of Digerati's interest in Dishon Disposal, Inc. In the event that the Debtor's interests in Dishon Disposal, Inc. are not sold, the Debtor and Dishon Disposal, Inc. retain any and all rights and remedies they may have under law to collect the Dishon Shareholder's Loans.

Transfer of Stock

31. Hurley Enterprises, Inc. and Dishon Disposal, Inc. and the Allowed Secured Creditors acknowledge that Hurley Enterprises, Inc. and Dishon Disposal, Inc. are wholly owned subsidiaries of Digerati with Digerati owning 100% of the shares of each. The Parties agree that any 363 Sale or other sale in the Bankruptcy of Digerati's interests in and/or shares in Hurley and Dishon shall be deemed legal, valid and effective of all legal,

equitable and beneficial right, title and interest in those assets which will be sold free and clear of all liens, claims and encumbrances.

Plan Support Agreement

32. The Allowed Secured Creditors and Allowed Equity Interest holders will reasonably cooperate and assist Digerati in confirming a Plan consistent with the settlement terms set forth herein. All other Parties agree not to oppose or interfere with the Plan confirmation process, except to the extent necessary to protect or enforce the Rule 11 Agreement. The Parties agree that any Plan submitted for Bankruptcy Court approval shall not contain any provision that would have the effect of modifying, altering, amending, circumventing or in any way changing any provision of the Rule 11 Agreement. In addition, any Plan submitted for approval and/or any responses or filings related thereto by any of the Parties shall not contain any derogatory, slanderous, libelous or other defamatory statements as to any Party to this Bankruptcy Settlement Agreement.

Mutual Release

33. For and in consideration of the recitals above, all Parties hereto, mutually RELEASE, ACQUIT AND FOREVER DISCHARGE, and by these presents for themselves, their legal representatives, successors, and assigns, RELEASE, ACQUIT, and FOREVER DISCHARGE all Parties (other than the Party's own attorney) hereto from any and all claims, causes of action, demands, of any character or kind, known or unknown, whether in contract or in tort, or any other theory of law concerning the facts giving rise to the allegations brought forth in any lawsuit concerning the November Transactions or any known or unknown causes of action arising up to the date of this Bankruptcy Settlement Agreement or that could have been asserted through the date of this Bankruptcy Settlement Agreement.

34. The foregoing releases are not intended to and do not release any Party to this Bankruptcy Settlement Agreement from any agreements, covenants, obligations, or undertakings of such Party contained in this Bankruptcy Settlement Agreement or Rule 11 Agreement (to the extent a Party is a party to the Rule 11 Agreement), or of any instrument executed by the Parties to effectuate this Bankruptcy Settlement Agreement.

35. Each of the Parties expressly warrants and represents that no promise or agreement which is not herein expressed has been made to him or her or it in executing this release, and that none of the Parties are relying upon any statement or representation of any of the Parties or any agent of the Parties being released hereby, except for the representations and warranties stated in paragraph 51 of this Bankruptcy Settlement Agreement. Subject to the foregoing, each of the Parties is relying on his or her or its own judgment in executing this release.

36. The Parties agree that each party to this Bankruptcy Settlement Agreement is providing valuable consideration by the benefits provided for in the covenants herein.

Dismissal of Lawsuits

37. The Parties shall move immediately to abate, if allowed, the following lawsuits, adversary proceedings and related appeals and not seek to reinstate such actions until the Bankruptcy Court rules upon this Bankruptcy Settlement Agreement or upon the expiration of ninety (90) days, and upon approval of the Bankruptcy Settlement Agreement such actions shall be dismissed with prejudice, except as to the appeals in subparagraph vi below, as to the Parties executing this Bankruptcy Settlement Agreement within fifteen (15) business days:

i.) Cause No. 2013-06483; *Digerati Technologies, Inc. v. Sonfield & Sonfield, P.C., Robert L. Sonfield, Jr., Robert C. Rhodes, and William E. McIlwain*; In the 281st Judicial District of Harris County, Texas ("Harris County Lawsuit") and the appeal pending in the 14th Court of Appeals, Case No. 14-13-00249;

ii.) Cause No. 2013-CI-02253; *Rhodes Holdings, LLC, Recap Marketing & Consulting, LLP, WEM Equity Capital Investments, Ltd., Robert C. Rhodes, Delta S. Ventures LP, Hunter M.A. Carr & William McIlwain v. David Gorham, MCI Partners LLC, Arthur L. Smith, Antonio Estrada, Murray R. Nye, John R. Fleming & Bert Terry Dunker Jr. and Lou Soumas v. Scott Hepford and Lunaria Heritage Trust, Intervenors*; In the 285th (131st) Judicial District of Bexar County, Texas ("Bexar County Lawsuit") and the appeal pending in the Fourt Court of Appeals, 04-13-00423-CV;

iii.) Cause No. 2013-05429; *Robert L. Sonfield, Jr., P.C. v. Christy E. Albeck and Gregg E. Jaclin*; In the 129th Judicial District of Harris County, Texas;

iv.) Cause No. 2013-04580; *Recap Marketing and Consulting LLP v. Gregg E. Jaclin and Christy Albeck*; In the 157th Judicial District of Harris County, Texas;

v.) *Rhodes Holdings, LLC et al v. David L. Gorham, et al*, USBC S.D.Tx. 13-03121 and any appeals taken from this case

vi.) All appeals filed related to any Orders issued in the Bankruptcy as of the effective date of this Bankruptcy Settlement Agreement subject to the consent of the Allowed Secured Creditors.

Digerati Notices

38. The Parties agree Digerati shall file a form 8K with the Securities and Exchange Commission to the effect that pursuant to the Bankruptcy Court's Order approving Bankruptcy Settlement Agreement: (i) Robert C. Rhodes is not a director on the board of directors, is not CEO, is not President, and does not hold any officer position within Digerati Technologies, Inc., (ii) William E. McIlwain is not a current director on the board of directors of Digerati Technologies, Inc., (iii) Arthur L. Smith is the current

Director, Chairman, Chief Executive Officer, President, and Secretary; (iv) Antonio Estrada is the current Chief Financial Officer and Treasurer; and (iv) and Robert L. Sonfield, Jr. is not currently legal counsel of Digerati Technologies, Inc. In addition, Digerati Technologies, Inc. shall issue a press release summarizing this Bankruptcy Settlement Agreement between the Parties, specifically addressing Robert C. Rhodes, William E. McIlwain, and Robert L. Sonfield, Jr. Both the 8K and the press release shall be reviewed by Robert C. Rhodes, William E. McIlwain, and Robert L. Sonfield, Jr. for approval, which is required but shall not be unreasonably withheld, prior to filing.

Digerati shall file a motion to strike and, in the alternative, seal in the Bankruptcy Court withdrawing or sealing any references to "pump and dump" which appears in any motion, pleading or filing with the Bankruptcy Court. All Parties hereto shall support such motion. The Parties requesting the withdrawal shall provide Debtor's counsel with a list of such motions, pleadings and filings requested to be in the motion. Debtor affirmatively states that no "pump and dump" occurred related to the November Transactions. Further, the Debtor's SEC expert testified that he did not find that anybody, including any of the Parties hereto had engaged in a "pump and dump" scheme.

General Terms and Conditions

39. Except as specifically set forth herein, this Bankruptcy Settlement Agreement is only effective if approved by the Bankruptcy Court.
40. The Parties agree that Vess Hurley, Sheyenne Hurley, Luci Dishon and Terry Dishon, individually or in any other capacity, shall not be compelled by any Parties or their counsel to appear as a witness in any legal proceedings relating to this Bankruptcy Settlement Agreement except by deposition; and, except as to any proceedings in which they are subject to personal jurisdiction.
41. Nothing in this Bankruptcy Settlement Agreement shall be deemed to invalidate, modify or amend the Rule 11 Agreement. Texas law governs this Bankruptcy Settlement Agreement.
42. The Parties and their agents, attorneys, employees, agree not to seek votes against Digerati's Plan; entertain alternative restructuring options inconsistent with the terms herein unless Digerati is included in all discussions; take any action inconsistent with this Bankruptcy Settlement Agreement, or impede or take any other action, directly or indirectly, to hinder the sale process or financial reporting requirements for the Bankruptcy Court and/or SEC so long as the Plan is consistent with this Bankruptcy Settlement Agreement.
43. Except upon execution of an amendment or modification hereto signed by all Parties, the Parties do not intend for any of the terms of this Bankruptcy Settlement Agreement to be enforceable or provide benefits to any person who is not a party to this Bankruptcy

Settlement Agreement. No Party shall have a right to assign its rights or obligations under this Bankruptcy Settlement Agreement without a written modification of this Bankruptcy Settlement Agreement agreed to by all Parties.

44. This Bankruptcy Settlement Agreement (including the exhibits attached hereto) constitutes the entire understanding among the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter, except that nothing herein modifies the Rule 11 Mediation Settlement Agreement. The Parties hereto acknowledge that no other Party, directly or through an agent, has made any promises, representations or warranties whatsoever, express or implied, not contained in this Bankruptcy Settlement Agreement, to induce them to execute this Bankruptcy Settlement Agreement.
45. The Parties agree that upon the request of any of the Parties, they will execute and deliver such further documents and undertake such further actions as reasonably may be required to effectuate any of the agreements contained in this Bankruptcy Settlement Agreement. The Parties to this Bankruptcy Settlement Agreement shall cooperate and shall execute all documents and obtain all approvals reasonably necessary to effectuate the terms of this Bankruptcy Settlement Agreement.
46. The provisions of this Bankruptcy Settlement Agreement shall apply to, inure to the benefit of, and be binding upon, the Parties and their respective agents, employees, legal representatives, successors, and assigns.
47. The Parties hereto understand that this settlement is the compromise of doubtful and disputed claims and is not to be construed as admission of liability on the part of the Parties hereto, and that the Parties deny liability there for and intend to avoid litigation and buy their peace. The Parties further agree that the terms of this Bankruptcy Settlement Agreement are contractual and not a mere recital.
48. This Bankruptcy Settlement Agreement has been executed in multiple originals and in a number of identical counterparts, each of which constitutes and for all purposes is to be deemed an original, and all of which constitute, collectively, one agreement, but in making proof of this Bankruptcy Settlement Agreement, it shall not be necessary to produce or account for more than one such counterpart. The delivery of an executed counterpart of this Bankruptcy Settlement Agreement by facsimile or pdf shall be deemed to be valid delivery thereof, however, the Parties will follow with original signatures provided to the other Parties as soon as practicable.
49. This Bankruptcy Settlement Agreement may not be modified or amended except by an instrument or instruments in writing signed by the Parties. Any Party may, only by an instrument in writing, waive compliance by any other Party with any term or provision of this Bankruptcy Settlement Agreement on the part of that other Party or to be performed or complied with. The waiver by a Party of a breach of any term or provision of this Bankruptcy Settlement Agreement will not be construed as a waiver of any other breach.
50. The effective date of this Bankruptcy Settlement Agreement shall be the date it is approved by the Bankruptcy Court. No Party is bound by any provision of this

Bankruptcy Settlement Agreement until it is approved by the Bankruptcy Court. In accordance with any and all applicable law, until this Bankruptcy Settlement Agreement is approved by the Bankruptcy Court, Parties may withdraw their consent to the extent allowed by law. All Parties have a good faith obligation to seek approval of the Bankruptcy Settlement Agreement with the Bankruptcy Court. The Parties shall not take action which conflicts with the Bankruptcy Settlement Agreement or Rule 11 Agreement.

51. The Parties, represent and warrant to the best of their knowledge, which representations and warranties are, in part, consideration for the execution of this Bankruptcy Settlement Agreement, the following:

- a. that they own all and each of the claims, rights, demands, and causes of action, if any, which such Party is hereby settling, assigning and/or releasing pursuant to the Bankruptcy Settlement Agreement, save and except any transferred per the Rule 11 Agreement; and,
- b. that they have not assigned to any other person or entity all or any part of said claims, rights, demands, or causes of action being settled, assigned or released in the Bankruptcy Settlement Agreement, save and except as set forth in the Rule 11 Agreement.

52. All Parties and signers hereto represent that they have authority to execute this Bankruptcy Settlement Agreement, except to the extent that the Debtor's execution is subject to Bankruptcy Court approval.

53. All notices hereunder to the Parties shall be deemed to have been duly given if delivered personally, or mailed, postage prepaid, registered or certified, or by facsimile or by e-mail to the Parties, whose addresses are set forth on **Exhibit B**, or to any attorneys designated in writing to the others executing this Bankruptcy Settlement Agreement.

54. No waiver or modification of the terms of this Bankruptcy Settlement Agreement shall be valid unless it is in writing and signed by an authorized representative of each Party.

55. The Parties expressly warrant and represent that before executing this Bankruptcy Settlement Agreement they have received independent legal advice from attorneys of their choice with respect to the advisability of entering into this Bankruptcy Settlement Agreement, that they have fully informed themselves of its terms, contents, conditions, and effect, and that they voluntarily agree to the terms of this Bankruptcy Settlement Agreement. The Parties agree that this instrument is executed as their act and deed. It is expressly understood and agreed, each of the Parties represents, covenants, and warrants that each signature hereinafter appearing is authorized and genuine, and is freely, knowingly and willingly affixed hereon.

56. None of the Parties hereto shall be considered to be the drafter of this Bankruptcy Settlement Agreement or any provision hereof for the purpose of any statute, case law, or rule interpretation or construction that would, or might, cause any provision to be construed against any drafter hereof.

57. If no Chapter 11 Plan is confirmed by the Bankruptcy Court by July 31, 2014, or no sale of the Allowed Secured Creditors' collateral has occurred by August 31, 2014, THEN the automatic stay of 11 USC § 362 terminates as to the Allowed Secured Creditors and as to their assets or interests. The Allowed Secured Creditors are thereafter permitted to pursue all legal remedies applicable under law.

BINDING ARBITRATION

58. The Parties agree that any disputes between them as to or in any way related to the Bankruptcy Settlement Agreement will be subject to binding arbitration before Judge Mark Davidson ("Davidson"), except as set forth below. If Davidson should refuse to serve as arbitrator, said dispute shall be filed with and handled by another former or retired Texas Judge or Justice appointed by Davidson. If Davidson does not make the appointment, then said arbitrator shall be selected by the Administrative Judge of the Harris County District Courts. The following shall not be submitted to arbitration and this arbitration clause shall have no effect over the following: i) Chapter 11 Plan confirmation; ii) Chapter 11 Plan consummation; iii) Chapter 11 Plan implementation; iv) Chapter 11 Plan interpretation; v) Chapter 11 Plan administration; and, vi) Chapter 11 Plan enforcement to the extent it does not abrogate the Rule 11 Agreement or Bankruptcy Settlement Agreement. Further, this provision shall have no effect on any non-party to the Rule 11 Agreement or Bankruptcy Settlement Agreement.

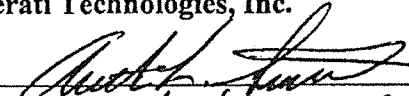
59. As used in this Bankruptcy Settlement Agreement, headings are for reference only and are not substantive.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

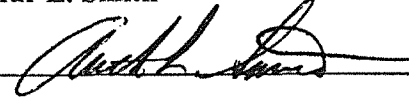
[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the duly authorized Parties have executed this Bankruptcy Settlement Agreement as of the respective dates indicated below:


Digerati Technologies, Inc.

By: 
Name: Arthur L. Smith
Title: CEO
Date: 1-14-14

Arthur L. Smith

By: 
Date: 1-14-14

Antonio Estrada

By: 
Date: 1-14-14

Hurley Fairview, LLC

By: _____
Name: _____
Title: _____
Date: _____

Hurley Enterprises, Inc.

By: _____
Name: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the duly authorized Parties have executed this Bankruptcy Settlement Agreement as of the respective dates indicated below:

Digerati Technologies, Inc.

By: _____
Name: _____
Title: _____
Date: _____

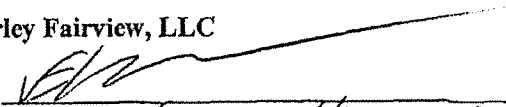
Arthur L. Smith

By: _____
Date: _____

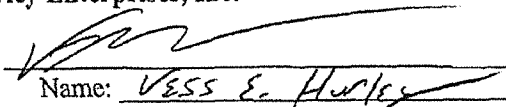
Antonio Estrada

By: _____
Date: _____

Hurley Fairview, LLC

By: 
Name: VESS E. HURLEY
Title: _____
Date: 1-14-14

Hurley Enterprises, Inc.

By: 
Name: VESS E. HURLEY
Title: _____
Date: 1-14-14

Hurley Family Trust

By: Terry Dunken
Name: TERRY DUNKEN
Title: TRUSTEE
Date: 1/14/14

Vess Hurley

By: _____
Date: _____

Sheyenne Rae Nelson Hurley

By: _____
Date: _____

Dishon Disposal, Inc.

By: _____
Name: _____
Title: _____
Date: _____

Riverfront Capital, LLC

By: _____
Name: _____
Title: _____
Date: _____

Luci Dishon

By: _____
Date: _____

Hurley Family Trust

By: [Signature]
Name: Vess E. Hurley
Title: _____
Date: 1-14-14

Vess Hurley

By: [Signature]
Date: 1-14-14

Sheyenne Rae Nelson Hurley

By: [Signature]
Date: 01/14/2014

Dishon Disposal, Inc.

By: _____
Name: _____
Title: _____
Date: _____

Riverfront Capital, LLC

By: _____
Name: _____
Title: _____
Date: _____

Luci Dishon

By: _____
Date: _____

Hurley Family Trust

By: _____
Name: _____
Title: _____
Date: _____

Vess Hurley

By: _____
Date: _____

Sheyenne Rae Nelson Hurley

By: _____
Date: _____

Dishon Disposal, Inc.

By: Terry Dishon
Name: Terry Dishon
Title: president
Date: 1-17-13

Riverfront Capital, LLC

By: Terry Dishon
Name: Terry Dishon
Title: manager
Date: 1-14-13

Luci Dishon

By: Luci Dishon
Date: 1-14-13

Terry Dishon

By: 

Date: 1-14-13

Dishon Family Heritage Trust

By: _____

Name: _____

Title: _____

Date: _____

Southpaw Trust

By: _____

Name: _____

Title: _____

Date: _____

Rainmaker Trust

By: _____

Name: _____

Title: _____

Date: _____

Bert Tarrant ("Terry") Dunken, Jr.

By: _____

Date: _____

Sheryl Dunken

By: _____

Date: _____

Terry Dishon

By: _____

Date: _____

Dishon Family Heritage Trust

By: Terry Dishon

Name: TERRY DUNKEN

Title: TRUSTEE

Date: 1/14/14

Southpaw Trust

By: _____

Name: _____

Title: _____

Date: _____

Rainmaker Trust

By: Terry Dishon

Name: TERRY DUNKEN

Title: TRUSTEE

Date: 1/14/14

Bert Tarrant ("Terry") Dunken, Jr.

By: Bert Tarrant ("Terry") Dunken, Jr.

Date: 1/14/14

Sheryl Dunken

By: _____

Date: _____

Terry Dishon

By: _____

Date: _____

Dishon Family Heritage Trust

By: _____

Name: _____

Title: _____

Date: _____

Southpaw Trust

By: Stan Miller

Name: Stan Miller

Title: Trustee

Date: 1/14/2014

Rainmaker Trust

By: _____

Name: _____

Title: _____

Date: _____

Bert Tarrant ("Terry") Dunken, Jr.

By: _____

Date: _____

Sheryl Dunken

By: _____

Date: _____

Terry Dishon

By: _____

Date: _____

Dishon Family Heritage Trust

By: _____

Name: _____

Title: _____

Date: _____

Southpaw Trust

By: _____

Name: _____

Title: _____

Date: _____

Rainmaker Trust

By: _____

Name: _____

Title: _____

Date: _____

Bert Tarrant ("Terry") Dunken, Jr.

By: _____

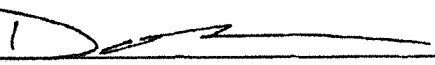
Date: _____

Sheryl Dunken

By: Sheryl Dunken

Date: 1-14-14

David Gorham

By: 

Date: 1/14/14

Connie Gorham

By: Connie Gorham

Date: 1-14-14

Christy Albeck

By: _____

Date: _____

Albeck Financial Services, Inc.

By: _____

Date: _____

Hunter M. A. Carr

By: _____

Date: _____

Recap Marketing & Consulting, LLP

By: _____

Name: _____

On behalf of RMAC, LLP

Title: General Partner of Recap Marketing & Consulting, LLP

Date: _____

David Gorham

By: _____

Date: _____

Connie Gorham

By: _____

Date: _____

Christy Albeck

By: Christy Albeck

Date: 1-14-2014

Albeck Financial Services, Inc.

By: Christy Albeck

Date: 1-14-2014

Hunter M. A. Carr

By: _____

Date: _____

Recap Marketing & Consulting, LLP

By: _____

Name: _____

On behalf of RMAC, LLP

Title: General Partner of Recap Marketing & Consulting, LLP

Date: _____

David Gorham

By: _____

Date: _____

Connie Gorham

By: _____

Date: _____

Christy Albeck

By: _____

Date: _____

Albeck Financial Services, Inc.

By: _____

Date: _____

Hunter M. A. Carr

By: *Hunter M A Carr*

Date: 1.14.14

Recap Marketing & Consulting, LLP

By: *Hunter M A Carr*

Name: Hunter M. A. Carr

On behalf of RMAC, LLP

Title: General Partner of Recap Marketing & Consulting, LLP

Date: 1.14.14

Rhodes Holdings, LLC

By: 

Name: Robert C. Rhodes

On behalf of Delta S Ventures

Title: Member-Manager of Rhodes Holdings, LLC

Date: January 14th, 2014

Robert L. Sonfield Jr. P.C. d/b/a Sonfield & Sonfield

By: 

Name: Robert L. Sonfield, Jr.

Title: President

Date: January 14, 2014

Robert L. Sonfield, Jr.

By: 

Date: Jan 14, 2014

Robert C. Rhodes

By: 

Date: January 14th, 2014

American Equity Fund, LLC

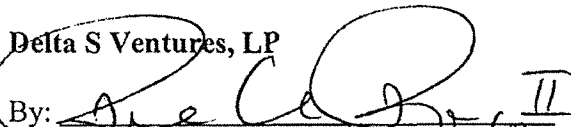
By: 

Name: Robert C. Rhodes

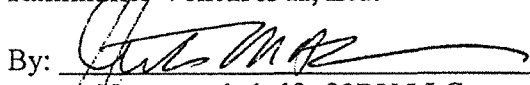
Title: Managing Member, Rhodes Holding, LLC

Date: January 14th, 2014

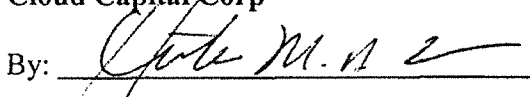
Delta S Ventures, LP

By: 
Printed Name: Robert C. Rhodes
On behalf of Delta S Management, Inc
Title: General Partner of Delta S Ventures, LP
Date: January 14th, 2014


Rainmaker Ventures II, Ltd.

By: 
Name: on behalf of 2RV LLC
Title: General Partner of Rainmaker Ventures II, Ltd.
Date: 1.14.14

Cloud Capital Corp

By: 
Name: Hunter M. A. Carr
Title: President
Date: 1.14.14

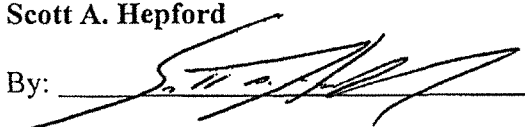
William E. McIlwain

By: 
Date: 1.14.14

John Howell

By: _____
Date: _____

Scott A. Hepford

By: 
Date: 1-14-14

Delta S Ventures, LP

By: _____

Printed Name: _____

On behalf of Delta S Management, Inc

Title: General Partner of Delta S Ventures,LP

Date: _____

Rainmaker Ventures II, Ltd.

By: _____

Name: on behalf of 2RV LLC

Title: General Partner of Rainmaker
Ventures II, Ltd.

Date: _____

Cloud Capital Corp

By: _____

Name: _____

Title: _____

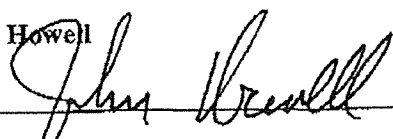
Date: _____

William E. McIlwain

By: _____

Date: _____

John Howell

By:  _____

Date: 1-14-14 _____

Scott A. Hepford


By: _____

Date: _____

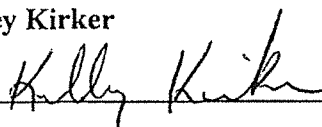
The Lunaria Heritage Trust

By: _____
Name: _____
Title: _____
Date: _____

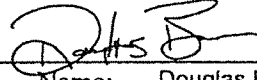
WEM Equity Capital Investments, Ltd.

By:  _____
Name: WILLIAM E. McILWAIN
Title: PRESIDENT
Date: 1/14/14

Kelley Kirker

By:  _____
Date: 1/14/2014

The Lunaria Heritage Trust

By: 
Name: Douglas Bean
Title: Trustee
Date: January 14, 2014

WEM Equity Capital Investments, Ltd.

By: _____
Name: _____
Title: _____
Date: _____

Kelley Kirker

By: _____
Date: _____

1. 924 Cat Loader	CAT0924KKPWR00546
2. 279 Cat Skidsteer	CAT0279CAKWB00401
3. 160 H Blade	CAT0160HHASD00550
4. 2007 Komatsu PC210	KMPPC243E02450217
5. 50D JD excavator	1FF05DXPA0275650
6. V81 03 GMC 4x4	1GTEK14TX3Z224175
7. V52 96 Chevy Rollback	1GBKC34J4TJ107642
8. V119 87 Suburban	1GNEV16K9HF121745
9. V110 05 GMC	1GTHK23205F804275
10. V71 93 Dodge 4x4	3B7MM33C7PM116512
11. V109 2011 GMC	1GT121E87BF125970
12. 06 Chevy 4x4	1GCHK23D36F206121
13. V104 2000 GMC	1GTGK24R9YR216790
14. V87 1996 GMC 1-Ton	1GDKC34J8TJ512782
15. D61 EX	B47212
16. 2003 F350	1FTSW31P83ED42453
17. 2002 F350	1FTSX31F72EB39072
18. Jeep	1C4BJWFGXDC587972

EXHIBIT A

EXHIBIT B

Addresses for Notice Under this Agreement

Digerati Technologies, Inc.
c/o Edward Rothberg
Hoover Slovacek LLP
5847 San Felipe, Suite 2200
Houston, TX 77057

Digerati Technologies, Inc.
c/o Arthur L. Smith, CEO
3463 Magic Drive, Suite 202
San Antonio, TX 78229

Arthur L. Smith
8023 Hermosa Hill
San Antonio, TX 78256

Antonio Estrada, Jr.
1807 Deer Ridge
San Antonio, TX 78232

Hurley Fairview, LLC
c/o Craig E. Power
1221 Lamar St. 16th Floor
Houston, TX 77010

Hurley Enterprises, Inc.
P.O. Box 385
Fairview, Montana 59221

Hurley Family Trust
P.O. Box 200
Fairview, MT 59221

Vess Hurley
701 West 4th Street
Fairview, Montana 59221

Sheyenne Rae Nelson Hurley
701 West 4th Street
Fairview, Montana 59221

Dishon Disposal, Inc.
15242 39th Ln NW
Williston, ND 58801

Riverfront Capital, LLC
c/o Terry Dishon, Manager
15242 39th Ln NW
Williston, ND 58801

Luci Dishon
15242 39th Ln NW
Williston, ND 58801

Terry Dishon
15242 39th Ln NW
Williston, ND 58801

Dishon Family Heritage Trust
15242 39th Ln NW
Williston, ND 58801

Southpaw Trust
2203 Greenhaven Dr.
Sugarland, Texas 77479

Rainmaker Trust
2203 Greenhaven Dr.
Sugarland, Texas 77479

Bert Tarrant ("Terry") Dunken, Jr.
2203 Greenhaven Dr.
Sugar Land, TX 77479

Sheryl Dunken
2203 Greenhaven Dr.
Sugar Land, TX 77479

David Gorham
137 West 500 South
Manti, UT 84642

Connie Gorham
137 West 500 South
Manti, UT 84642

Christy Albeck
1303 Heathwick Ln.
Houston, TX 77043-4505

Albeck Financial Services, Inc.
11767 Katy Freeway, Suite 830
Houston, TX 77079

Hunter M. A. Carr
P.O. Box 421566
Houston, Texas 77242

Recap Marketing & Consulting, LLP
P.O. Box 421566
Houston, Texas 77242

Rhodes Holdings, LLC
c/o Robert C. Rhodes
615 Longview Drive
Sugarland, TX 77478

Robert L. Sonfield, Jr.
2500 Wilcrest Drive Ste 300
Houston, Texas 77042

Robert L. Sonfield, Jr. d/b/a Sonfield & Sonfield, P.C.
2500 Wilcrest Drive Ste 300
Houston, Texas 77042
Robert C. Rhodes
615 Longview Drive
Sugar Land, TX 77478

Delta S Ventures, LP
c/o Robert C. Rhodes
615 Longview Drive
Sugar Land, Texas 77478-3728

Rainmaker Ventures II, Ltd.
P.O. Box 421566
Houston, TX 77242

Cloud Capital, LLC
P.O. Box 421566
Houston, TX 77242

William E. McIlwain
3111 Rosemary Park Lane
Houston, TX 77082

John Howell
4502 Pinnacle Dr.
Medford, Oregon 97504

Scott A. Hepford
261 River Ridge
Spring Branch, TX 78078

The Lunaria Heritage Trust
c/o Douglas Bean
16880 NE 79th Street
Redmond, WA 98052

WEM Equity Capital Investments, LTD.
3111 Rosemary Park Lane
Houston, TX 77082

Kelley Kirker
13514 Greenwood Manor Drive
Cypress, Texas 77429

American Equity Fund, LLC
c/o Robert C. Rhodes
P.O. Box 846
Stafford, Texas 77497-0846

PLAN EXHIBIT 2

TRUST AGREEMENT

MODIFIED PLAN EXHIBIT 2

HURLEY / DISHON

GRANTOR TRUST AGREEMENT

Dated as of _____, 2014

HURLEY/DISHON GRANTOR TRUST AGREEMENT

This Hurley/Dishon Grantor Trust (“Agreement”) dated as of _____, 2014, is established by, between and among Digerati Technologies, Inc. (“Debtor”), Debtor in Case No. 13-33268-H4-11 (“Bankruptcy Case”), filed in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, Arthur L. Smith as Trustee (hereinafter, “Smith”) and any successor trustee is referred to herein as “Trustee” and the Reorganized Debtor (“Beneficiary”) pursuant to the Debtor’s Second Amended & Restated Chapter 11 Plan of Reorganization filed with the Court (the “Plan”)¹. This Agreement, executed in accordance with and pursuant to the Plan, confirmed by the order of the Court _____ (“Confirmation Order”), which provides for: (i) the transfer of the Debtor’s rights, title and interests in the Dishon Disposal, Inc (“Dishon”), Hurley Enterprises, Inc. (“Hurley”), and the Retained Litigation Claims as defined and set forth in Sections 2.1.58, 6.2 and 6.11.4 of the Plan and described in Exhibit “4” thereto (collectively “Trust Assets”) to a newly created trust established by this Agreement (“Trust”); (ii) the management of the Trust Assets by the Trustee; and (iii) the distribution of the Trust Assets, on behalf of the Beneficiary, to those Allowed Claims and Interests whose claims or interests are to be paid from Net Sales Proceeds or Surplus Net Sales Proceeds and, in the manner and scheme of priority provided in the Plan (“Plan Payment Recipients”).

NOW, THEREFORE, pursuant to the confirmed Plan and in consideration of the premises, the mutual agreements of the parties contained herein, and other good and valuable consideration,

¹ All terms used in this Trust Agreement but not otherwise defined herein have the meanings ascribed to such terms in the Plan.

the receipt and sufficiency of which are hereby acknowledged and affirmed, the parties hereto agree as follows:

ARTICLE I – DEFINITIONS

1.1 Defined Terms.

All terms used herein which are defined in the Plan shall have the same meaning herein unless otherwise defined herein or the context otherwise requires.

1.2 Additional Defined Terms.

As used herein, the following terms shall have the meanings set out below, unless the context otherwise requires:

- (a) “Allowed Administrative Claims” shall have the same meaning such terms has in the Plan.
- (b) “Allowed Administrative Tax Claims” shall have the same meaning such terms has in the Plan.
- (c) “Allowed Secured Claims” shall have the same meaning such terms has in the Plan.
- (d) “Beneficial Interest” shall mean the rights and interests of the Reorganized Debtor in and to the Trust and the Trust Estate, as defined herein.
- (e) “Class 1” shall have the same meaning such terms has in the Plan.
- (f) “Class 2” shall have the same meaning such terms has in the Plan.
- (g) “Class 3” shall have the same meaning such terms has in the Plan.
- (h) “Class 4” shall have the same meaning such terms has in the Plan.
- (i) “Class 5” shall have the same meaning such terms has in the Plan.
- (j) “Class 6” shall have the same meaning such terms has in the Plan.

- (k) “Class 7” shall have the same meaning such terms has in the Plan.
- (l) Court shall mean The United States Bankruptcy Court for the Southern District of Texas Houston Division.
- (m) “Holders” shall means persons or entities holding claims for Classes 1 through 7.
- (n) “Net Sales Proceeds” shall have the same meaning such terms has in the Plan.
- (o) “Proof of Claim or Interest” shall have the same meaning such terms has in Digerati Technologies, Inc. the Plan.
- (p) “Plan Payment Recipients” shall mean the classes of creditors and equity holders set forth in the Plan.
- (q) “Register” shall mean that document, database or information kept by or on behalf of the Trustee reflecting the Allowed Claim or Interest of the Plan Beneficiaries and containing such information as the Trustee reasonably deems necessary.
- (r) “Settlement Agreement” shall mean that agreement described in Sec. 2.1.8 of the Plan.
- (s) “Trust Estate” shall mean all of the property held from time to time by the Trustee pursuant to this Agreement.

ARTICLE II – DECLARATION OF TRUST

2.1. Purpose of Trust.

The Debtor and the Beneficiary, pursuant to the Plan and the Confirmation Order and in accordance with the United States Bankruptcy Code (“Bankruptcy Code”), the applicable

tax statutes, rules and regulations including Treasury Regulation Section 301.7701-4(d) and Revenue Procedure 94-45, 1994-28 I.R.B. 124, and the Texas Trust Code (“Trust Code”), to the extent where applicable and incorporated in this Agreement, hereby constitute and create the Trust for the purpose of receiving, holding, investing, administering and liquidating the Trust Assets, including without limitation selling the interests in Hurley and Dishon, and prosecuting the Retained Litigation Claims and other causes of action transferred to the Trust and distributing all of the proceeds and income from the Trust Assets to the Beneficiary, for the benefit of those Plan Payment Recipients, in the manner and scheme of priority provided in the Plan. The sole purpose of the Trust is to provide for the orderly liquidation of the Trust Assets and to use the Trust Assets, including all proceeds and income, to make distributions to the Beneficiary in accordance with this Agreement, the Plan and the Confirmation Order to satisfy payment to Plan Payment Recipients on account of their Allowed Claims and Interests to the fullest extent. The activities of the Trust shall all be reasonably necessary to and consistent with the accomplishment of the purpose set forth herein but shall not include the conduct of a trade or business.

2.2. Name of Trust.

The Trust established hereby shall be known as “Hurley/Dishon Grantor Trust”. In connection with the exercise of his powers, the Trustee may use such name or such variation as he sees fit, and he may transact the business and affairs of the Trust in that name.

2.3. Transfer of Trust Assets to Create Trust Estate.

The Debtor and the Debtor’s bankruptcy estate hereby grant, release, assign, transfer, convey and deliver their rights, title and interests to the Trust Assets to the Trustee as of the Effective Date in trust to be applied as specified in this Agreement, provided, however, that

the transfer of the Trust Assets to the Trust shall be treated for all purposes of the Internal Revenue Code as a transfer to the Beneficiary followed by a deemed transfer to the Trust by the Beneficiary. The Beneficiary shall be treated for tax purposes as the grantor and deemed owners of the Trust. Upon the transfer of the Trust Assets, the Debtor shall retain no interest in such assets.

2.4. Acceptance by Trustee.

The Trustee does hereby accept (a) the appointment to serve as Trustee of the Trust, (b) the transfer of the Trust Assets on behalf of the Trust and (c) the trust imposed on him by this Agreement. The Trustee agrees to receive, hold, administer, and distribute the Trust Assets and the income derived therefrom pursuant to the terms of this Agreement, the Plan, and the Confirmation Order. The Trustee expressly assumes the responsibility to satisfy the payments to Plan Payment Recipients on account of their Allowed Claims and Interests in accordance with the Plan and the Confirmation Order, and in the manner and priority scheme provided in the Articles 3 and 4 of the Plan. The Trustee agrees to accomplish all activities necessary to ensure the transfer of the Trust Assets to the Trustee on behalf of the Trust.

2.5. Texas Trust Code.

Unless provided to the contrary herein or unless inconsistent with the Plan, the Confirmation Order or the purpose for the Trust, the provisions of the Texas Trust Code will apply to this Trust, the Trustee, and to this Agreement.

ARTICLE III – TRUSTEE-GENERAL

3.1. Appointment.

The initial trustee of this Trust shall be Arthur L. Smith.

3.2. Number.

There shall be one Trustee at all times.

3.3. Term of Service.

The Trustee shall serve until (a) termination of the Trust in accordance with Section 10.1 of this Agreement or (b) the Trustee's death, resignation or removal.

3.4. Services.

The Trustee shall be entitled to engage in such other activities as he deems appropriate which are not in conflict with this Agreement, the Trust or the interests of the Beneficiary. The Trustee shall devote such time as is necessary to fulfill all of his duties as Trustee.

3.5. Resignation of Trustee.

The Trustee may resign and be discharged from any future obligations hereunder by giving written notice at least thirty (30) days prior to the effective date of such resignation to the Beneficiary. Such resignation shall become effective on the earlier of (a) the thirtieth (30th) day after the giving of such notice or (b) after the appointment of a permanent or interim successor Trustee.

3.6. Appointment of Successor Trustee.

If at any time there is a vacancy or anticipated vacancy in the position of Trustee, Arthur L. Smith shall appoint a successor Trustee to act under this Agreement. If Arthur L. Smith fails to appoint a successor Trustee within fourteen (14) of providing notice of his resignation as provided in 3.5 above, the Beneficiary shall appoint a Trustee. Any successor Trustee shall be subject to the same qualifications and shall have the same rights, powers, duties and authority and otherwise be in the same position as the originally named Trustee.

Every successor Trustee shall execute, acknowledge and deliver to the Trust and the prior Trustee, if any, an instrument accepting such appointment subject to the terms and provisions of this Agreement. Immediately upon the appointment of any successor Trustee, all rights, powers, duties and authority of the predecessor Trustee shall be vested in and be undertaken by the successor Trustee without any further act. No successor Trustee shall be personally liable for any act or omission of any predecessor Trustee. Any predecessor Trustee shall execute and deliver to the successor Trustee any instruments reasonably requested by the successor Trustee to effectuate the termination of the predecessor Trustee and to aid in the administration of the Trust.

3.7. Trust Continuance.

The death or resignation of the Trustee shall not terminate the Trust or revoke any existing agency (other than any agency of such Trustee as a Trustee) created pursuant to this Agreement or invalidate any action theretofore taken by the Trustee, and the successor Trustee agrees that the provisions of this Agreement shall be binding upon and inure to the benefit of the successor Trustee and all his heirs and legal and personal representatives, successors or assigns.

3.8. Effect of Trust on Third Parties.

In the absence of actual knowledge to the contrary, any person dealing with the Trust or the Trustee shall be entitled to rely on the authority of the Trustee or any of his agents to act in connection with the Trust Assets. There is no obligation on any purchaser from the Trustee or dealing with the Trustee to inquire into the validity or expediency or proprietary of any transaction by the Trustee or any agent of the Trustee.

3.9. Compensation and Expenses of Trustee.

The Trustee shall not be entitled to receive compensation in connection with his duties as Trustee. Services performed by accountants and other professionals retained by the Trust shall be paid at their regular hourly rates or negotiated contingency fees rates, plus applicable expenses.

3.10. Indemnification of Trustee and Employees.

The Trustee and his employees, if any, shall be indemnified and receive reimbursement against and from all loss, liability, expense (including counsel fees) or damage which he or they may incur or sustain in good faith and without fraud, willful misconduct or gross negligence in the exercise and performance of any of his or their powers and duties under this Agreement to the full extent permitted by applicable law. The amounts necessary for indemnification and reimbursement shall be paid by the Trustee out of the Trust Assets. The Trustee shall not be personally liable for the payment of any Trust expense or claim or other liability of the Trust and no person shall look to the Trustee for payment of any such expense or liability.

ARTICLE IV – POWERS OF TRUSTEE

4.1. General Powers.

The Trustee shall have all of the rights, powers and privileges set forth in this Agreement unless specifically limited by other provisions of this Agreement or the Plan or the Confirmation Order. The Trustee shall have the power to take all such actions as in his judgment are necessary and appropriate to effectuate the purposes of the Trust consistent with the Plan, including but not limited to each power expressly granted in the subsections below and any power reasonably incidental thereto. The Trustee shall have the power to:

- (a) Make all distributions provided for or contemplated by this Agreement and the Plan;
- (b) Consistent with maintaining the value and liquidating the Trust Assets, invest in conservative, low risk investments (although such investments do not have to be free from risk), including without limitation municipal bonds, time or demand deposits, including certificates of deposit issued by any bank approved as a depository institution by the United States Trustee's office, United States Treasury bonds and other securities guaranteed by the full faith and credit of the United States of America or any agency thereof. To the extent Sections 113.003, 113.006, 113.008 and 113.009 of the Trust Code are inconsistent with the investment powers granted herein, those sections are not applicable to the Trust;
- (c) Not accept any asset if, in his discretion, he believes that such asset would have a detrimental effect on the other Trust Assets or would not be of benefit to the Beneficiary;
- (d) Supervise and administer the resolution, settlement and payment of claims and the Distributions to the Beneficiary and Plan Payment Recipients in accordance with this Agreement and the Plan.
- (e) Collect in accordance with the Plan any accounts receivable transferred to the Trust;
- (f) Enter into any agreement required by or consistent with this Agreement or the Plan and perform all of his obligations thereunder;

- (g) Abandon any of the Trust Assets if he concludes that they are of no benefit to the Beneficiary;
- (h) Participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction and participate as a party and attorney for the Trust or otherwise in any administrative, arbitrate or other non-judicial proceeding and litigate claims on behalf of the Trust which are Trust Assets or to which the Trust Assets are subject and pursue to settlement or judgment such actions;
- (i) Select and employ such professionals, agents or employees as he deems necessary to assist in the administration of the Trust and compensate such persons;
- (j) Hold any unclaimed distribution or payment to a Plan Payment Recipient in accordance with this Agreement and the Plan;
- (k) Propose any amendment, modification or supplement to this Agreement to maximize the distributions to or otherwise benefit the Beneficiary;
- (l) Receive, conserve and manage the Trust Assets and sell or otherwise dispose of such assets for a price and upon such terms and conditions as he deems most beneficial to the Beneficiary and execute such deeds, bills of sale, assignments and other instruments in connection therewith;
- (m) Open and maintain bank accounts on behalf of or in the name of the Trust;
- (n) Pay all taxes, make all tax withholdings and file tax returns and tax information returns and make tax elections by and on behalf of the Trust;
- (o) Pay all lawful expenses, debts, charges and liabilities of the Trust;

- (p) Enforce all provisions of the Plan and this Agreement;
- (q) Hold title to any investment in his name as Trustee or in a nominee name and, if the Trust owns assets located in a jurisdiction in which the Trustee cannot be authorized to act, appoint any national bank authorized to act in such jurisdiction as trustee and confer on such trustee any powers as may be necessary, but in any event, such trustee shall account for all income and proceeds from the sale of any Trust Assets;
- (r) Protect, perfect and defend the title to any Trust Assets and enforce any bonds, mortgages, promissory notes and guarantees thereof, or other obligations or liens owned by the Trust;
- (s) Carry insurance coverage in such amounts as he deems advisable or as otherwise required by the Plan;
- (t) Establish such reserves for taxes, assessments and other expenses of administration of the Trust as may be necessary and appropriate for the proper operation of matters incident to the Trust; and
- (u) Exercise such other powers and duties as are necessary or appropriate in his discretion to accomplish the purposes of the Trust as set forth in this Agreement and the Plan.

4.2. Additional Powers under the Texas Trust Code.

Subject to any express limitations contained in this Agreement, the Plan or the Confirmation Order, the Trustee shall have and may exercise with respect to the Trust, the Trust Assets and this Agreement and in the administration and distribution of the Trust Assets all powers, now or hereafter conferred on trustees by the Trust Code, provided,

however, that only sections of the Trust Code that are specifically applicable to the Trust and this Agreement shall apply to the duties and rights of the Trustee. The powers conferred by this section in no way limit any power conferred on the Trustee by any other section of this Agreement, the Plan or the Confirmation Order but shall be in addition thereto, provided, however, that the powers conferred by this section are conferred and may be exercised only and solely within the purposes for the Trust and this Agreement, for the benefit of the Beneficiary and in accordance with the Plan.

4.3. Limitations on the Trustee.

Notwithstanding anything in this Agreement to the contrary, the Trustee shall not do or undertake any of the following:

- (a) Attempt to modify or amend the Plan or this Agreement without agreement of the Beneficiary or Court approval;
- (b) Loan Trust Accounts to the Trustee;
- (c) Purchase Trust Assets from the Trust; and
- (d) Sell Trust Assets to another Trust with respect to which the Trustee serves as trustee or, if a corporate Trustee, purchase stock of the Trustee or any affiliate of the Trustee as may otherwise have been authorized under Sections 113.052 through 113.055 of the Texas Trust Code.

ARTICLE V – LIABILITY OF TRUSTEE

5.1. Standard of Care.

Except in the case of fraud, willful misconduct or gross negligence, the Trustee shall not be liable for any loss or damage by reason of any action taken or omitted by him

pursuant to the discretion, power and authority conferred on him by this Agreement or the Plan.

5.2. No Liability for Acts of Predecessor Trustees.

No successor Trustee shall be in any way liable for the acts or omissions of any predecessor Trustee unless a successor Trustee expressly assumes such responsibility.

5.3. Reliance by Trustee on Documents, Mistake of Fact or Advice of Counsel.

Except as otherwise provided in this Agreement, the Trustee may rely and shall be protected from liability for acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order or other paper or document believed by him to be genuine and to have been presented by an authorized party. Also, the Trustee is not liable if he acts based on a mistake of fact before he has actual knowledge of an event. The Trustee shall not be liable for any action taken or suffered by him in reasonably relying upon the advice of counsel or other professionals engaged by him in accordance with this Agreement.

5.4. No Personal Obligation for Trust Liabilities.

Persons dealing with the Trustee in matters relating to the Trust shall have recourse only against the Trust Assets to satisfy any liability incurred by the Trustee to such person in carrying out the terms of this Agreement or the Plan, and the Trustee shall have no personal or individual obligation to satisfy such liability. The Trustee and his employees shall not be liable to the Trust because of any action taken by him pursuant to discretionary powers and authority conferred upon the Trustee or his employees by this Agreement except for his or their own fraud, gross negligence or willful misconduct.

ARTICLE VI – DUTIES OF TRUSTEE

6.1. General.

The Trustee shall have all duties specified in the Plan, this Agreement or the Texas Trust Code unless this Agreement provides to the contrary. Such duties shall include, without limitation:

- (a) The maintenance at all times of a Register of the names, addresses of Plan Payment Recipients. The Trustee shall not be liable for relying on the accuracy of the Register, provided that he has properly maintained the Register in accordance with this Agreement, including making all changes based upon notification proper under this Agreement having been submitted to the Trustee.
- (b) Upon the termination of the Trust, the Trustee shall send a status report to the Beneficiary and the Plan Payment Recipients which includes a final accounting of the disposition of all Trust assets and notice of the termination of the Trust.
- (c) The Trustee shall furnish to the Beneficiary and Plan Payment Recipients such information returns with respect to any federal or state tax as are reasonably requested to enable the Beneficiary to determine its tax liabilities.

6.2. Final Accounting of Trustee.

The Trustee shall, within thirty (30) days after termination of the Trust or his resignation, removal or death (in which case, his estate shall), render a final accounting containing at least the following information:

- (a) A description of the Trust Assets;

- (b) A summarized accounting in sufficient detail of all purchases, sales, gains, losses, receipts, disbursements and other transactions in connection with the Trust and Trust Assets during the Trustee's term of service, including their source and nature;
- (c) All receipts of principal and income must be shown separately;
- (d) The ending balance of all assets and funds of the Trust as of the date of the Trustee's accounting, including the cash balance on hand and the name and location of the depository where it is kept; and
- (e) All known liabilities owed by the Trust.

ARTICLE VII – BENEFICIARY

7.1. Interest Beneficial Only.

The ownership of a beneficial interest in the Trust shall not entitle the Beneficiary to any title in or to the Trust Assets or to any right to call for a partition or division of such assets or to require an accounting, except as specifically provided by this Agreement.

7.2. Evidence of Beneficial Interest.

Ownership of a beneficial interest in the Trust Assets shall not be evidenced by any certificate, security or receipt or in any other form or manner whatsoever other than this Trust Agreement.

7.3. Effect of Death, Incapacity or Bankruptcy of Beneficiary.

The death, incapacity or bankruptcy of the Beneficiary during the term of the Trust shall not operate to terminate the Trust, nor shall it entitle the representative or creditors of the deceased, incapacitated or bankrupt Beneficiary to an accounting or to take any action in any court or elsewhere for the distribution of Trust Assets or for a petition thereof, nor shall

it otherwise affect the rights and obligations of any Beneficiary under this Agreement or in the Trust.

ARTICLE VIII – DISTRIBUTIONS

8.1. Distributions to Beneficiary from Trust Assets and Redistribution to Allowed Claims and Interests.

The Trustee shall distribute Trust Proceeds, on behalf of Beneficiary, to Plan Payment Recipients Holders, on account of their Allowed Claims and Interests in accordance with the priority scheme provided in the Plan and summarized as follows:

- a. Allowed Administrative Claims, except for administrative tax claims allowed under Section 503(b)(1) shall be paid in Cash in full from the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out and/or the Financing Alternative on the later of thirty (30) days after the Closing Date or the date such Claim becomes an Allowed Administrative Claim, unless the Holder of such Claim agrees to a different treatment as provided in Art. 3.2 of the Plan;
- b. Any Allowed Administrative Tax Claim related to a gain from the Hurley Sale or Dishon Sale will be paid from the Disputed Claim Reserve Account which will be estimated by the Debtor as provided in Article 3.3 of the Plan;
- c. To the extent not otherwise paid from non-Trust Assets, Professional fees incurred for services rendered and costs advanced subsequent to the Confirmation Date shall be paid in accordance with Section 6.7 of the Plan from available Cash and/or the Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out and/or the Financing Alternative;
- d. To the extent not otherwise paid from non-Trust Assets, Allowed Priority Claims shall be paid from Net Sales Proceeds, the Dishon Plan Carve Out, the Hurley Plan Carve Out and/or the Financing Alternative, along with simple interest at the rate of 5% per annum unless the Holder of such Claim agrees to a different treatment;
- e. Allowed Class 1 Secured Claim of Terry Dishon shall be paid in full on the Closing Date from the Dishon Net Sales Proceeds. In accordance with the Bankruptcy Settlement Agreement, in the event of a sale of Dishon to a third party for an amount that is less than payment in full of the Class 1 Allowed Secured Claim, plus \$1,250,000, plus any amount necessary to satisfy fifty

percent of Digerati's unpaid professional fees, Terry Dishon agrees that the Dishon Plan Carve Out shall be retained by the Reorganized Debtor for payment of Allowed Administrative Expenses for professional fees and to pay other Allowed Claims. To the extent the Allowed Secured Class 1 Claim is not paid in full, the deficiency balance shall be waived as provided in Article 4.1 of the Plan;

- f. Allowed Class 2 Secured Claims of Hurley Fairview, LLC and Sheyenne Rae Nelson Hurley shall be paid in full on the Closing Date from the Hurley Net Sales Proceeds. In accordance with the Bankruptcy Settlement Agreement, in the event of a sale of Hurley to a third party for an amount that is less than payment in full of the Class 2 Allowed Secured Claims, plus \$1,250,000, plus any amount necessary to satisfy fifty percent of Digerati's unpaid professional fees, the Holders of the Allowed Class 2 Secured Claims agree that the Hurley Plan Carve Out shall be retained by the Reorganized Debtor for payment of Allowed Administrative Expenses for professional fees and to pay other Allowed Claims. To the extent the Allowed Secured Class 2 Claims are not paid in full, the deficiency balance shall be waived as provided in Article 4.2 of the Plan;
- g. To the extent not otherwise paid from non-Trust Assets, Allowed Class 3 General Unsecured Claims of \$1000 or Less shall be paid in full without post-petition interest, from the Net Sale Proceeds of either Dishon or Hurley, whichever occurs first, the Dishon Plan Carve Out, the Hurley Plan Carve Out or the Financing Alternative;
- h. Allowed Class 4 General Unsecured Claims in Excess of \$1000 shall be paid in full without post-petition interest, from the Net Sale Proceeds of either Dishon or Hurley, whichever occurs first, the Dishon Plan Carve Out, the Hurley Plan Carve Out or the Financing Alternative. Payment to Holders of Allowed Class 4 General Unsecured Claims shall occur on the later of (i) thirty (30) days after the Closing Date or (ii) the Allowance of the Class 4 Claim as provided in Article 4.4 of the Plan;
- i. Allowed Class 5 Subordinated Unsecured Claims Arising out of disputed rights to Preferred Series "A" Interests in the Debtor shall receive a Pro-Rata share of Surplus Net Sales Proceeds after payment to creditors in Article 3 of the Plan and Classes 1 through 4 are paid in full as provided in Article 4.5 of the Plan;
- j. After payments as set forth in the Plan, Reorganized Debtor, on behalf of Allowed Class 7 Equity Interests of Digerati Common Stock will receive Class 7's 5% of the remaining Surplus Net Sales Proceeds as provided in Article 4.7 of the Plan.

8.2. Method of Distribution.

All distributions shall be made in accordance with the Plan.

8.3. Withholding of Taxes and Other Charges Related to Distribution.

The Trustee shall withhold from the amount distributable at any time to the Plan Payment Recipients such sum or sums as the Trustee determines will be sufficient to pay any tax or taxes or other charge or charges which have been or may be imposed on the Plan Payment Recipients with respect to any distribution under the income or other tax laws of the United States or of any state or political subdivision or entity whenever such withholding is required by any law, regulation, rule, ruling, directive or other governmental requirement. The Trustee in the exercise of his discretion and judgment may enter into agreements with taxing or other governmental authorities for the payments of such amounts as may be withheld.

8.4. Reserves.

In determining the amount to be distributed to the Plan Payment Recipients, the Trustee shall not include any cash or other reserves that he has deemed necessary to maintain for taxes, the administration of the Trust and satisfaction of Disputed Claims.

8.5. De Minimis Amounts.

The Trustee shall not be required to make any distribution to a Plan Payment Recipient if such distribution is for less than twenty-five dollars (\$25.00). Such undistributed amount shall be retained by the Trustee.

8.6. Unclaimed Distributions.

All distributions under this Agreement shall be sent to the address of the Plan Payment Recipient as reflected on the Proofs of Claim or Interests filed by such holders (or at the Debtor's Schedules if no Proof of Claim is filed or if the Trustee has been notified in writing of a change of address) by regular United States mail, postage prepaid. If any distribution is returned as unclaimed or if any check representing any distribution is not presented for collection to the bank on which the check was drawn within one hundred eighty (180) days from the date of mailing, the Trustee shall be entitled to stop payment on such distribution check. The amount of such check and all future distributions to the affected Plan Payment Recipient shall be deposited in the Disputed Claims Reserve Accounts established by the Trustee and held in such account until the Trustee is notified of such Plan Payment Recipient's correct address, at which time all held accounts shall be made to such Plan Payment Recipient without interest. Provided, however that on the date on which the Trust has been fully and completely administered, such Unclaimed Distribution shall be released by the Trustee from the appropriate Disputed Claims Reserve Account and paid or reallocated to other Plan Payment Recipients or the Beneficiary in accordance with the priorities in the Plan. Nothing contained in the Plan or this Agreement shall require the Trustee to attempt to locate any Plan Payment Recipient.

ARTICLE IX – TAXES

9.1. Income Tax Status.

Consistent with Revenue Procedure 94-45, 1994-28 I.R.B. 124, the Trust shall be treated as a liquidating trust pursuant to Treasury Regulation Section 301.7701-4(d) and as a grantor trust pursuant to Sections 671-677 of the Internal Revenue Code. The holder of

Beneficial Interests shall be treated for tax purposes as the grantor and deemed owner of the Trust. Any items of income, deduction, credit or loss of the Trust shall be allocated, for federal income tax purposes, to the holder of Beneficial Interests.

ARTICLE X – TERMINATION OF TRUST

10.1. Maximum Term.

The Trust shall terminate upon the earliest to occur of: (a) the fulfillment of the Trust purpose by the liquidation of all of the Trust Assets and the distribution of the proceeds thereof; or (b) nine (9) years from the date of this Agreement, provided, however, that upon motion by any party in interest and a finding that such extension is necessary to fulfill the Trust's purposes, the Court may extend the term of the Trust for a finite term so long as each extension is approved by the Court within six (6) months of the beginning of such extended term. Notwithstanding the foregoing, every effort should be made by the Trustee to accomplish the Trust purposes expeditiously and to terminate the Trust as soon as reasonably possible.

10.2. Events upon Termination.

Upon termination of the Trust, the Trustee shall distribute the remaining Trust Assets, if any, to the Plan Payment Recipients or Beneficiary in accordance with this Agreement and the Plan.

10.3. Winding Up and Discharge of Trustee.

For the purposes of winding up the affairs of the Trust at its termination, the Trustee shall continue to act as Trustee until his duties have been fully discharged. After doing so, the Trustee shall have no further duties or obligations hereunder, except as required by this Agreement, the Plan or the Trust Code concerning the termination of a trust. Upon a motion

by the Trustee, the Court may enter an order relieving the Trustee of any further duties, discharging the Trustee and releasing his bond.

ARTICLE XI – MISCELLANEOUS PROVISIONS

11.1. Amendments.

The Trustee may propose to the Court the modification, supplementation or amendment of this Agreement. Such modification, supplement or amendment shall be in writing and filed with the Court. Notice of such filing shall be served on the Beneficiary and Plan Payment Recipients. No modification, supplementation or amendment of this Agreement shall be effective except upon a final nonappealable order of the Court.

11.2. Interpretation.

The enumeration and headings contained in this Agreement are for convenience or reference only and are not intended to have any substantive significance. Unless the context otherwise requires, whenever used in this Agreement the singular shall include the plural and the plural shall include the singular, and words importing the masculine gender shall include the feminine and the neuter, if appropriate, and vice versa, and words importing persons shall include partnerships, associations, and corporations. The words herein, hereby, hereunder and words with similar import, refer to this Agreement as a whole and not to any particular section or subsection hereof, unless the context reasonably requires otherwise.

11.3. Partial Invalidity.

If any provision of this Agreement shall for any reason be held invalid or unenforceable by any court, governmental agency or otherwise, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

11.4. Entire Agreement.

This Agreement and the Plan constitute the entire agreement by and among the parties, and there are no representations, warranties, covenants or obligations except as set forth herein and in the Plan. This Agreement together with the Plan supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, written or oral, of the parties hereto, relating to any transaction contemplated hereunder. Except as otherwise specifically provided herein or in the Plan, nothing in this Agreement is intended or shall be construed to confer upon or to give any person other than the parties hereto and the Beneficiary any rights or remedies under or by reason of this Agreement.

11.5. Revocability.

The Trust is revocable.

11.6. Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original document, but all of which counterparts shall together constitute one and the same instrument.

11.7. Notice to Plan Payment Recipients.

Any notice or any communication by the Trustee to the Beneficiary or any Plan Payment Recipient shall be deemed to have been sufficiently given, for all purposes, when sent by first class United States mail, postage prepaid and addressed to the Beneficiary, at the address listed in the Plan, and to any Plan Payment Recipient at the address reflected on the Proofs of Claim or Interest filed by such Plan Payment Recipient (or the address of such a

Plan Payment Recipient set forth in the Debtor's Schedules if no Proof of Claim is filed or if the Trustee has been notified in writing of a change of address).

11.8. Notice to Trustee.

Any notice or other communication which may be or is required to be given, served or sent to the Trustee shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid or transmitted by hand delivery or by facsimile (if receipt is confirmed) addressed to the Trustee as follows:

Arthur L. Smith
Digerati Technologies, Inc
3463 Magic Drive, Suite 259
San Antonio, TX 78229
Fax: 210-693-1012

11.9. Change of Address and Delivery.

Each Plan Payment Recipient, the Beneficiary and the Trustee may designate by notice in writing a new address to which any notice, demand, request or other form of written communication may thereafter be given, served or sent. Each notice, demand, request or other form of communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed sufficiently given, served and received for all purposes three (3) days after it is deposited in the United States mail as described above or at such time as it is delivered to the addressee, whichever is earlier.

11.10. Waiver.

No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof, or of any other right, power or privilege.

11.11. Cumulative Rights and Remedies.

The rights and remedies provided in this Agreement are cumulative and are not exclusive of rights under law or in equity.

11.12. Limitation of Benefits Under the Agreement.

Except as otherwise specifically provided in the Agreement or in the Plan, nothing herein is intended or shall be construed to confer upon or to give any person other than the parties hereto and the Beneficiary any rights or remedies under or by reason of this Agreement.

11.13. Governing Law.

This Agreement shall be governed by, administered under and construed in accordance with the laws of the State of Texas without regard to its conflicts of law rules.

11.14. Dispute Resolution.

Any dispute which arises under this Agreement shall be resolved by the Court or any other court having jurisdiction over the dispute.

11.15. Enforcement and Administration.

The provisions of this Agreement shall be enforced and the Trust shall be administered by the Court consistent with and pursuant to the Plan.

11.16. No Bond Required.

Notwithstanding any state law to the contrary, the Trustee (including any successor Trustee) shall be exempt from giving any bond or other security in any jurisdiction.

11.17. Tax Identification Numbers.

The Trustee may require any Plan Payment Recipient to furnish to the Trustee its employer or tax payer identification number as assigned by the Internal Revenue Service and

the Trustee may condition any distribution to any Plan Payment Recipient upon receipt of such identification number.

11.18. No Personal Liability of Beneficiary.

The Beneficiary shall not incur any personal liability through his ownership or possession of any interest as a Beneficiary of the Trust except for taxes pursuant to applicable provisions of federal, state or local law with respect to their beneficiary interest in or distribution from the Trust.

11.19. Retention of Jurisdiction.

The Bankruptcy Court shall retain jurisdiction of any proceeding referred to in the Plan, including the determination of all claims, controversies, disputes and issues arising under or in connection with the Trust or this Agreement, the management and administration of the Trust and for all of the purposes contemplated in the Plan.

11.20. Relationship to Plan.

The principal purpose of this Agreement is to aid in the implementation of the Plan and, therefore, this Agreement incorporates and is subject to the provisions of the Plan. In the event any provision of this Agreement is found to be inconsistent with a provision of the Plan, the provision of the Plan shall control. A copy of the Plan is attached hereto and marked as *Exhibit A* and incorporated herein.

11.21. Division of Trust.

Under no circumstances shall the Trustee have the right or power to divide the Trust unless authorized to do so by the Court.

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be executed by duly authorized representatives, and the Trustee has executed this Agreement as of the date first above written.

DIGERATI TECHNOLOGIES, INC.

By: _____
Arthur L. Smith, President of
Digerati Technologies, Inc.

TRUSTEE

By: _____
Arthur L. Smith, Trustee of Hurley/Dishon
Grantor Trust

PLAN EXHIBIT 3

OPERATING BUDGET

DIGERATI TECHNOLOGIES, INC.
Operating Expenses

Description / services	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Total
Digerati									
CEO	\$ 10,900	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 13,750	\$ 107,150
CFO	\$ 10,900	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 98,400
Payroll taxes	\$ 2,834	\$ 3,413	\$ 3,413	\$ 3,413	\$ 3,413	\$ 3,413	\$ 3,413	\$ 3,413	\$ 26,722
Health benefits	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 5,200
Rent	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 4,000
Utilities	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,400
Office Supplies	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,000
Internet	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 800
Server rental	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 4,000
Phone	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,400
EPIC - Notification to creditors	\$ 45,000	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 85,000
Travel	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 8,000
Tax return preparation	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Quarterly fees - US Trustee	\$ 4,750	\$ -	\$ -	\$ 4,750	\$ -	\$ -	\$ -	\$ -	\$ 9,500
Bank Fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 4,000
Form 8K's	\$ 2,000	\$ 2,000	\$ 2,000	\$ 5,000	\$ 2,000	\$ 2,000	\$ 5,000	\$ 2,000	\$ 22,000
Audit 2012 & 2013 - Consolidated	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 100,000
General counsel -SEC	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 35,000
Chapter 11 attorney - HooverSlovacek	\$ 160,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 20,000	\$ 420,000
Investment Banker - Herrera Partners	\$ 60,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 360,000
Shift8	\$ -	\$ 50,000	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 125,000
Total	\$ 300,359	\$ 205,638	\$ 158,138	\$ 205,888	\$ 143,138	\$ 153,138	\$ 196,138	\$ 73,138	\$ 1,435,572

Audit fees 2012 & 2013 - We are estimating that Dishon will be sold by April 2014 and Hurley will be sold by July 2014. Digerati will report these events as discontinued operations.

PLAN EXHIBIT 4

NONEXCLUSIVE LIST OF RETAINED LITIGATION CLAIMS

SECOND AMENDED PLAN EXHIBIT NO. 4
and
FIRST AMENDED DISCLOSURE STATEMENT EXHIBIT C

**NONEXCLUSIVE LIST OF POTENTIAL RETAINED LITIGATION CLAIMS
AGAINST LITIGATION OPPONENTS BEING RETAINED BY PLAN**

Potential Litigations Claims Against	Description of Claims¹
Parties to the Bankruptcy Settlement Agreement. See, Doc. No. 673.	All claims arising from the Bankruptcy Settlement Agreement or enforcement of such agreement are specifically reserved.
Lou Soumas	Any and all causes of action related to or arising from the Transaction, post-petition actions or management of the subsidiaries or Debtor.
Damon Pistulka	Any and all causes of action related to or arising from the Transaction, post-petition actions or management of the subsidiaries or Debtor.
Harold Gewerter	Any and all causes of action including but not limited to state law causes of action, breach of fiduciary duty, claims arising from post-petition actions, usurpation of corporate opportunities/business, negligence, attorney's fees, etc.
MCI Partners, LLC and any affiliated entities	Any and all causes of action related to or arising from the Transaction, contracts with Debtor's subsidiaries or mismanagement of Debtor's subsidiaries.
Special Waste Management Services, LLC	Any and all causes of action related to or arising from the Transaction or contracts with Debtor's subsidiaries.
Mark Townsend	Any and all causes of action including but not limited to tortious interference, material

¹ The Debtor compromised a number of litigation claims. See, Doc. No. 673. The settlement terms are incorporated in the terms of the Plan. The Reorganized Debtor shall have, retain, reserve and be entitled to assert all such claims, causes of action, rights of setoff and other legal or equitable defenses that the Debtor had immediately before the Petition Date to the extent such claims were not settled, as fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any claim that is not specifically waived or relinquished by this Plan may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced. No person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the debtor or Reorganized Debtor, as applicable, will not pursue any and all available causes of action against such person. The Debtor or Reorganized Debtor, as applicable, expressly reserve all rights to prosecute any and all causes of action against any person, in accordance with the Plan. From and after the Effective Date, the Debtor or Reorganized Debtor, as applicable, shall have the exclusive right, authority and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw or litigate to judgment any cause of action and to decline to do any of the foregoing without further notice to or action, order or approval of the Court.

	omissions, material misrepresentations, fraud, fraudulent inducement, negligence, civil conspiracy, negligent misrepresentation, attorney's fees, etc.
Perfect Circle Water Systems, LLC	Any and all causes of action related to or arising from the Transaction or contracts with Debtor's subsidiaries.
Chris Efirm and/or Access Global Advisors, LLC or affiliates	Any and all causes of action including but not limited to tortious interference, negligence, misrepresentation, etc.
John Doe Stock Promoters	Improper promotion of stock
Any contract claims	Including but not limited to overpayments, breach of contract, failure to perform, set off, turnover, unfair competition, interference with contract or potential business advantage, insurance claims to the extent there is an applicable insurer, etc
All parties receiving avoidable transfers, except any parties to the Bankruptcy Settlement Agreement	Actions for the avoidance and recovery of estate property under Bankruptcy Code section 550, or transfers avoidable under Bankruptcy Code section 544, 545, 547, 548, 549, or 553(b).
All Claims, Defenses, Cross-Claims and Counter Claims	The Debtor is party to or believes it may become party to litigation or any other type of adversarial proceeding or dispute resolution proceeding, whether formal or informal, judicial or non-judicial. Unless otherwise released by the Plan, the Debtor expressly reserve all causes of action against or related to all entities that are party to or that may in the future become party to litigation, arbitration or any other type of adversarial proceeding or dispute resolution proceeding, whether formal or informal, judicial or non-judicial. Debtor specifically reserves any claims to any res or collateral for any loans guaranteed by the Debtor or its subsidiaries.

PLAN EXHIBIT 5

EXECUTORY CONTRACTS TO BE ASSUMED

PLAN EXHIBIT 5 - LIST OF CONTRACTS TO BE ASSUMED

In re Digerati Technologies, Inc.
Case No. 13-32291

<u>Counter Party to Contract</u>	<u>Date of Agreement</u>	<u>Monthly Payment</u>	<u>Description of Agreement</u>	<u>Amt as of 5/30/2013</u>	<u>outstanding from 5/31/13 to 1/18/14</u>	<u>CURE AMOUNT</u>
American Stock Transfer & Trust Company 59 Maiden Lane New York, NY 10038	7/26/2012	\$ 600.00	Transfer Agent Services Agreement - provides stock transactions, reports, monitoring, new cert's, etc	\$36,447.49	\$634.28	\$37,081.77
The Eversull Group, Inc. Attn: Jack Eversull 7229 Oakmont Drive Frisco, TX 75034	1/1/2007	\$ 250.00	Services for investor relations	\$1,500.00	\$0.00	\$1,500.00
Web-EZ Designs Attn: Erick Gebhart 13515 West Avenue #217 San Antonio, TX 78216-2076	2/2/2011	\$ 60.00	Web-hosting of Digerati's web-site	\$420.00	\$60.00	\$480.00
Wiltel Communications LLC / Level 3 One Technology Center 100 South Cincinnati 13th Floor Tulsa, OK 74103	7/27/2005	\$ 330.00	Colocation - data center- paid by Shift8	\$0.00	\$0.00	\$0.00
Net Sapiens, Inc. 920 Kline Street, Suite 400 La Jolla, CA 92037	6/30/2008		Lifetime License Agreement for use of NetSapiens SNAPsolution	\$0.00	\$0.00	\$0.00
Arthur L Smith 8023 Hermosa Hill San Antonio, TX 78256	1/2/2008	salary	Employment Agreement for Officer	\$217,708.87	\$43,654.97	\$0.00
Antonio Estrada 1807 Deer Ridge San Antonio, TX 78232	1/2/2008	salary	Employment Agreement for Officer	\$128,820.38	\$34,905.42	\$0.00
				<u>\$384,896.74</u>	<u>\$79,254.67</u>	<u>\$39,061.77</u>

PLAN EXHIBIT 6

EXECUTORY CONTRACTS TO BE REJECTED

PLAN EXHIBIT 6 - LIST OF CONTRACTS TO BE REJECTED

In re Digerati Technologies, Inc.

Case No. 13-32291

<u>Counter Party to Contract</u>	<u>Date of Agreement</u>	<u>Description of Agreement</u>
LBB & Associates, Ltd, LLP	7/31/2012	Engagement letter dated 7/31/2012 for audit work
MCI Partners, LLC 12603 Southwest Freeway, Suite 170 Stafford, TX 77477	5/28/2013	Office Rental Agreement dated 5/28/2013 for property located at 12603 Southwest Freeway, Suite 170, Stafford, TX 77477, commencing 5/28/2013 for a period of one year; \$500 per month.
Phillips & Reiter, PLLC Attn Dale A. Head 1300 W Sam Houston Pkwy Suite 340 Houston, TX 77042	2/20/2013	Engagement letter dated 2/20/2013 related to the Transaction
Pratt & Flack LLP Attn Paul Flack Four Houston Center 1331 Lamar Street Suite 1250 Houston, TX 77010	1/31/2013	Engagement letter dated 1/31/2013 for representation in dispute with Robert Sonfield, Hunter M.A. Carr, Robert C. Rhodes, William MCilwain, Kelley Kirker, Rhodes Holdings, LLC, and Recap Marketing & Consulting, LLP
Gary E. Bryant 980 Noble Champions Way Argyle, TX 76226	4/3/2012	Digerati Technologies, Inc. 10% Convertible Debenture Due April 3, 2012 (No. 1)
Gary E. Bryant 980 Noble Champions Way Argyle, TX 76226	4/3/2012	Digerati Technologies, Inc. 10% Convertible Debenture Due May 15, 2012 (No. 2)
Gary E. Bryant 980 Noble Champions Way Argyle, TX 76226	4/3/2012	Digerati Technologies, Inc. 10% Convertible Debenture Due June 21, 2012 (No. 3)
The Venturebanc, Inc. and Fredrich C. Voelker Central St. I 80211	1755 Denver, CO 5/2/2012	Consulting Agreement with 10% Convertible Debenture

NetSapiens, Inc.
920 Kline Street, Suite 400
Jolla, CA 92037

La 2009, 2/1/2011

Deployment and Operations Agreement related to hosted IP telecommunications services, executed in 2009, as amended by the ATSI/ Digerati SNAPsolution Support and Maintenance Proposal dated February 1, 2011.