

**First Amended Operating Agreement for QWYIT LLC ("the Company")**

1. This First Amended Operating Agreement terminates and replaces in its entirety the Operating Agreement entered into by Fortkort and R. Paul McGough on or about January 13, 2014. By signature below, Fortkort and R. Paul McGough agree that all rights owned by each under the prior Operating Agreement are hereby terminated and/or assigned to the Company as part of their capital contributions.
2. Member contributions and roles and responsibilities:
  - a. Taylor McGough ("Taylor McGough") will act as Managing Member of the Company, provide software and hardware development services and all other technical and administrative services not provided by the other members, and will assign all intellectual property developed by him either partially or entirely to the Company as his capital contribution to the Company;
  - b. R. Paul McGough ("R. Paul McGough") will assign all rights in, to and under: (a) the patents and patent applications listed in Exhibit A; (b) all provisionals, continuations, continuations-in-part, divisionals, reissues, reexaminations, revivals, and extensions of the patents and patent applications listed in Exhibit A or relating thereto in any way however remotely; (c) any applications claiming priority to any of the patents or patent applications listed in Exhibit A; and (d) all foreign patents, patent applications and counterparts relating to any of the matters set forth in the foregoing clauses (a), (b) and or (c). Collectively, (a), (b), (c) and (d) shall be the "The Patents".
  - c. R. Paul McGough will also assign as his capital contribution to the Company, all know-how, trade secrets, ideas, software, software code, code, applications, toolkits, test results, white papers, documentation, software development kits, notes, papers, analyses, websites, and any other technology and writings related to the Patents, including but not limited to the information listed in Exhibit B ("Know-How"). Collectively, "Know-How" and "Patents" shall be "Technology".
  - d. R. Paul McGough will also assign as his capital contribution to the Company the registered trademarks listed in Exhibit C and all trademarks or service marks related to the Technology or Patents in any country, whether registered or not ("the Existing Marks").
  - e. Michael P. Fortkort ("Fortkort") will act as Intellectual Property Counsel of the Company and provide all Intellectual Property legal services for the Company as his capital contribution to the Company. Fortkort will absolve R. Paul McGough of all debt owed to Fortkort, MICHAEL P FORTKORT PC or FORTKORT & HOUSTON PC by R. Paul McGough as his capital contribution to the Company.
3. Company Assets.

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- a. The Company shall own all rights to the mark "QWYIT" and all websites related to QWYIT, including but without limitation, qwyit.com (the "Trademarks").
  - b. The Company shall own the Technology and Existing Marks as set forth in paragraph a.
  - c. Collectively, Technology, Existing Marks and Trademarks shall be "Intellectual Property".
  - d. The Company shall own, and the parties hereby assign, all rights, titles, and interests in, to and under all patents, trademarks, trade secrets, know-how, copyrights, code, toolkits, papers, ideas, concepts, architectures, developed by Taylor McGough, R. Paul McGough and/or Fortkort during their time with the Company. The parties agree to execute documents memorializing these rights as necessary.
4. Equity ownership interest in the Company shall be as follows:
  - a. Taylor McGough – 85%;
  - b. Michael P. Fortkort – 10%; and
  - c. R. Paul McGough – 5%, however, R. Paul McGough shall also be entitled to a 5% payment of all revenue of the Company (but not investment in the Company) in return for the assignment of the Technology to be paid within 30 days upon receipt of such revenue by the Company. No dilution of the revenue interests of R. Paul McGough shall be made by the Company without the express written consent of R. Paul McGough.
5. Distributions, losses, gains and tax consequences
  - d. All distributions shall be made in accordance with the equity ownership after all payments to R. Paul McGough have been made as set forth in paragraph 4, which distributions shall be made based upon a majority ownership vote.
  - e. The Company shall have the right to bring additional entities into the Company by assigning equity proportionate to ownership at the time of such an event, excluding dilution of revenue interests of R. Paul McGough as described in Paragraph 4.
  - f. All tax losses shall be applied in accordance with the equity positions set forth herein.
  - g. All taxable gains shall be applied in accordance with the equity positions set forth herein.
6. Forfeiture of Ownership and Voting Rights
  - h. In the case of death or incapacitation of any party, one of the remaining parties shall become Managing Member (whichever remaining party owns the largest equity interest). All payments owed to the deceased or incapacitated party at the time of such event shall be made to the incapacitated party, or the deceased

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party's estate or descendants. All voting rights, equity, and revenue ownership including revenue of R. Paul McGough as set forth in Paragraph 4 shall terminate with such party, and the deceased/incapacitated member's ownership will be distributed to all existing members in proportion to their ownership at the time, with the remaining portion divided equally.

- i. In the event that a party demonstrates inability to perform their duties as described in Paragraph 2, such party will be notified of their breach of performance in writing. At the end of 30 days of said notification if such party remains unwilling or unable to perform their specified duties all payments owed to the party at the time of such event shall be made, and all ownership shall be forfeited and distributed to all existing members in proportion to their ownership at the time, with the remaining portion divided equally.
7. Any issues not addressed in this Operating Agreement shall be resolved by the parties after good faith negotiations. Upon failure of such good faith negotiations, each party shall appoint one representative who shall in turn agree upon an arbitrator to resolve any such issue in binding arbitration, which by agreement of the representatives may be conducted completely orally and informally.
8. In the event that the company terminates all assets of the Company shall be sold and the funds disbursed in accordance with the equity positions set forth in paragraph 4 and the payment provisions to R. Paul McGough set forth in paragraph 4.
9. The Company agrees to indemnify and hold harmless each of the members of the Company when acting in good faith belief to advance the interests of the Company.
10. This Operating Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia and any action related to this Operating Agreement either to enforce the terms of this Operating Agreement or to construe the terms of this Operating Agreement, shall be brought in the courts of Fairfax County, Virginia.
11. Each party agrees that he has had the opportunity to consult with a legal representative prior to entering this Operating Agreement, that he entered into this Operating Agreement willingly and without coercion, and in fact, that he suggested the main terms of this Operating Agreement. The parties agree that this Operating Agreement shall not be construed in favor of either party. The parties also agree that each of the terms of this Operating Agreement is material and they would not have entered into this Operating Agreement without these terms and conditions.

Agreed this 30<sup>th</sup> day of May 2016:



Taylor McGough

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R. Paul McGough

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Michael P. Fortkort

## **EXHIBIT A – Patents and Patent Applications**

1. U.S. Patent No. 8,649,520 – Method and System for Establishing Real-time Trust in a Public Network
2. U.S. Patent No. 8,144,875 – Method and System for Establishing Real-time Authenticated and Secured Communications Channels in a Public Network
3. U.S. Patent No. 8,144,874 – Method for Obtaining Key for Use in Secure Communications over a Network and Apparatus for Providing Same
4. U.S. Patent No. 7,899,185 – Real Privacy Management Authentication System
5. U.S. Patent No. 6,445,797 – Method and System for Performing Secure Electronic Digital Streaming
6. U.S. Patent No. 6,058,189 – Method and System for Performing Secure Electronic Monetary Transactions
7. U.S. Patent No. 6,002,769 – Method and System for Performing Secure Electronic Messaging
8. U.S. Patent Publication No. 20060034456 – Method and System for Performing Perfectly Secure Key Exchange and Authenticated Messaging (abandoned)
9. U.S. Patent Publication No. 20030149876 – Method and System for Performing Perfectly Secure Key Exchange and Authenticated Messaging (abandoned)
10. Japan Patent No. 5047291 by R. Paul McGough entitled “Method for Obtaining Key for Use in Secure Communications Over a Network”, Issued July 27, 2012 filed September 6, 2006.
11. U.S. Provisional Patent Application No. 62/279,329 entitled “Method and Apparatus for Streamlined Secure Credit Transaction”, filed January 15, 2016.
12. U.S. Patent Application Number 14/176,284 filed February 10, 2015, entitled “Method and System for Authentication over a Public Network Using Multiple Out-Of-Band Communications Channels to Send Keys.”

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## EXHIBIT B – Technical Papers and Software

### White Papers and Documentation

- SSLX-Real-World-Example.pdf
- SSLX Developer Guide v1-2.pdf
- SSLX FAQ v2-0.pdf
- SSLX Summary v2-0.pdf
- SSLX Tech Design v1-2.pdf
- SSLX-Apache-Userguide.pdf
- SSLX-Architecture-v1-2.pdf
- SSLX-Embedded-Authentication.pdf
- SSLX-Firefox-Userguide.pdf
- SSLX-PIN-Security.pdf
- SSLX-Real-Time-Security.pdf
- SSLX-Security-V1.pdf
- Why-SSLX.pdf
- SSLX Overview.pps
- Highlights Initial Report 2factor Sherman.pdf
- Real Privacy Management – An Overview.pdf
- RTT-Method v1-5.pdf
- RTT Authentication Tokens v1-2.pdf
- RTT Cryptographic Description v3-1.pdf
- RTT Federated Trust v2-4.pdf
- RTT Initial Key Establishment v2-3.pdf
- RTT Mobile Key Management v1-7.pdf
- RTT Properties Description for Analysis v2-0.pdf
- RTT Reference Guide v3-1.pdf
- RTT Sales FAQ v2-1.pdf
- RTT Storage Security – Cloud v1-11.pdf
- RTT Overview.pps
- RTT Overview-Lab.pps
- 2010-08-20-TCP2 Specifications for RTT.pdf
- Further Benchmarks.pdf
- OMRON-TTT-RTT\_results.pdf
- TCP2-with-RTT-Benchmarks.pdf
- Cipher-com.pdf
- Telcordia-Report.pdf
- Key-sharing.pdf
- SPCC.pdf

### Software Code – Reference, Example/"Production" Applications, Toolkits

Reference:

- BiasTest012311-152116.zip

- RTT-Bias-Test-App.zip
- RTTLib-text-listing.txt

Example/"Production" Applications:

- RTT\_C\_Standard\_IO\_Reference\_Implementation.zip
- RTT\_C\_TCP\_Reference\_Implementation.zip
- RTT\_file\_transfer.zip
- RTT\_Java\_TCP\_Reference\_Implementation.zip
- bPositive-Final-050706.zip [Secure Client/Server VPN application, written in VB (2006)]
- Noxx.zip [Secure Client/Server combination IM and Email application, written in VB (2004)]
- SSLX-Production Files.zip [Apache and Firefox plug-ins/add-ons, written in C/Java (2007-8)]

The "product" zip files (bPositive, Noxx, SSLX) include documentation files, if not found above in Docs


SDK Toolkits:

- RTTAuth\_SDK C.zip
- RTTAuth\_SDK C++.zip
- RTTAuth\_SDK Java.zip

All other software, papers, kits, etc. related to the above.

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### EXHIBIT C -- Trademarks

1. U.S. Registration No. 3,316,665 – “SSLX” filed February 7, 2007 registered October 23, 2007 (expired)
2. U.S. Registration No. No. 3,316,662 – “SSLNext” filed February 7, 2007 registered August 7, 2007 (expired)
3. U.S. Registration No. 4,618,824 – “QWYIT” filed January 10, 2014 registered October 7, 2014.
4. U.S. Registration No. 4,518,852 --  filed February 2, 2014 registered October 7, 2014.

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