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NORTH STATE COMMUNICATIONS ACQUIRES STALWART
Leading data center and cloud services provider obtains leading IT security integrator

High Point, NC—June 24, 2015—North State Communications, a leading fiber optic network, data center and cloud services provider, announces today that it has entered into a definitive agreement to acquire the assets of Stalwart, a leading IT security integrator. Paired with North State's 2011 acquisition of DataChambers, Stalwart's consulting and engineering prowess will help accelerate organizations' security and operational efficiency. With the move to the cloud have come complex security and compliance challenges. Helping customers migrate to the cloud securely in today's hyper-connected, hyper-distributed IT environment requires service providers to be more skilled and versatile than ever. With this acquisition, North State is taking another important step towards realizing its vision of bringing these disciplines together.

The acquisition of Stalwart will complement North State's strategy of building a comprehensive digital ecosystem with which to serve its growing customer base. "North State is extremely pleased to be gaining such a highly qualified and well-rounded IT security firm as Stalwart," noted Royster Tucker III, CEO of North State. "Their professional integrity and mastery of advanced threat protection are ideal counterparts for DataChambers' data center and cloud offerings. Bringing Stalwart onboard further fuels our strategic growth and helps round out our ability to effectively address some of the greatest IT challenges facing businesses today."

Headquartered in Charlotte, Stalwart has operations in the same and adjacent markets as North State and DataChambers. The company will join the North State family of businesses under the continued leadership of Bill Cooper, CEO of Stalwart. "North State is a strategic acquirer who shares our core virtues and beliefs. This, more than anything, will continue to make Stalwart unique and better," said Cooper. "It is exciting to think of the myriad ways our team will now be able to create additional value for our coveted and growing customer base."

"The combination of our services and Stalwart's offerings will allow both of us to provide customers with the most advanced IT solutions in the region. The addition of Stalwart and their

expertise pairs well with our state-of-the-art, purpose built data centers in the Charlotte, Raleigh and Triad markets," added DataChambers CEO, Nick Kottyan.

The transaction is subject to customary closing conditions and is expected to close in the third quarter of 2015. Terms of the agreement were not disclosed.

About North State and DataChambers
North State provides homes and businesses with Gigabit speeds on a fiber optic network that includes TV, Internet and communication services. Through wholly owned subsidiary, DataChambers, North State provides best-in-class data center colocation, cloud, managed data, and disaster recovery services to enterprise customers. Find out more at www.NorthState.net or www.DataChambers.com.

About Stalwart
Stalwart is a leading regional security integrator, specializing in advanced persistent threat assessment and hardened infrastructure design, implementation and management services. The company's innovative blend of security and infrastructure expertise sets it apart from pure-play security practitioners and siloed infrastructure solution providers alike. For more information, please visit www.stalwartsystems.com.

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