
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

Amendment No. 5

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 23, 2015

TERRA TECH CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

000-54258

(Commission
File Number)

26-3062661

(IRS Employer
Identification No.)

**4700 Von Karman, Suite 100
Newport Beach, California 92660**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (855) 447-6967

Not Applicable

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Explanatory Note

On January 12, 2016, Terra Tech Corp., a Nevada corporation (the "Company," "us," "we," or "our"), filed a Current Report on Form 8-K (the "Original Form 8-K") disclosing that we entered into an Agreement and Plan of Merger, dated December 23, 2015 (the "Merger Agreement"), by and among the Company, Generic Merger Sub, Inc., a California corporation ("Merger Sub"), and Black Oak Gallery, a California corporation ("Black Oak"). On March 1, 2016, we filed Amendment No. 1 on Form 8-K/A ("Amendment No. 1") to amend the Original Form 8-K to include the terms of an amendment to the Merger Agreement. On April 4, 2016, we filed Amendment No. 2 on Form 8-K/A ("Amendment No. 2") to amend the Original Form 8-K to announce the closing of the merger and the terms of the material agreements we are now a party to as a result of the merger. On June 7, 2016, we filed Amendment No. 3 on Form 8-K/A ("Amendment No. 3") to amend and supplement the Amended Form 8-K to provide the disclosures required by Item 9.01 of Form 8-K, which were not previously filed with the Amended Form 8-K, including the required financial statements of Black Oak and the required pro forma financial statements. On July 1, 2016, we filed Amendment No. 4 on Form 8-K/A ("Amendment No. 4" and, together with the Original Form 8-K, Amendment No. 1, Amendment No. 2, and Amendment No. 3, the "Amended Form 8-K") to amend and supplement the Amended Form 8-K and provide updated, unaudited condensed combined proforma financial information and clarity on the difference between the date that we merged with Black Oak and the acquisition date for accounting purposes.

This Amendment No. 5 amends and supplements the Amended Form 8-K to provide updated, unaudited condensed combined pro forma financial information and clarity on, among other items, the accounting value for the transaction as of the Acquisition Accounting Date. Except as otherwise provided herein, this Amendment No. 5 does not amend or restate the Amended Form 8-K, nor does it modify or update any of the information made in the Amended Form 8-K.

SECTION 1 - REGISTRANT'S BUSINESS AND OPERATIONS

Item 1.01 - Entry into a Material Definitive Agreement

We hereby incorporate by reference our disclosure set forth in Section 3, Item 3.02 of this Current Report.

SECTION 2 - FINANCIAL INFORMATION

Item 2.01 - Completion of Acquisition or Disposition of Assets

We hereby incorporate by reference our disclosure set forth in Section 3, Item 3.02 of this Current Report.

SECTION 3 - SECURITIES AND TRADING MARKETS

Item 3.02 - Unregistered Sales of Equity Securities

On March 31, 2016, (the "Closing Date"), we completed the previously announced acquisition of Black Oak, through a merger (the "Merger") of Merger Sub with and into Black Oak, with Black Oak as the surviving corporation, and becoming our wholly-owned subsidiary. The acquisition date for accounting purposes was on April 1, 2016.

Pursuant to the Merger Agreement, the outstanding shares of common stock of Black Oak held by (i) three of the current shareholders of Black Oak (the "Group A Shareholders") were converted into the right to receive approximately 8,166 shares of our Series Z Preferred Stock, of which approximately 1,175 shares of Series Z Preferred Stock were issued and paid at closing, and approximately 8,668,700 shares of our Series B Preferred Stock, of which approximately 1,248,300 shares of Series B Preferred Stock were issued and paid at closing and (ii) the remaining shareholders of Black Oak (the "Group B Shareholders") were converted into the right to receive approximately 21,378 shares of our Series Q Preferred Stock, of which approximately 3,695 shares of Series Q Preferred Stock were issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued but not paid to the Black Oak shareholders at closing are subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided for in the Merger Agreement. Each share of our Series Q Preferred Stock is to be converted into 5,000 shares of our common stock and each share of our Series Z Preferred Stock is to be converted into 1,857 shares of our Series B Preferred Stock, in each case immediately upon our filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital for, among other reasons, satisfaction of the terms of this potential transaction. Accordingly, the approximately 21,378 shares of Series Q Preferred Stock issued to the Group B Shareholders is convertible into approximately 106,890,000 shares of common stock and the approximately 8,166 shares of our Series Z Preferred Stock issued to the Group A Shareholders is convertible into approximately 15,164,262 shares of our Series B Preferred Stock. The Series Z Preferred Stock is intended to mirror the rights of the holders of our Series B Preferred Stock. Each share of our Series B Preferred Stock remains convertible into 5.38432537 shares of our common stock. The aggregate fair market value of the securities issued in the Merger was approximately \$22.9 million. The securities issued, and to be issued upon conversion of the preferred stock, are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") in reliance on Sections 3(a)(9) and 4(a)(2) of the Securities Act. The Group B Shareholders may also receive cash consideration equal to approximately \$2,088,000.

Black Oak operates a medical marijuana dispensary under the name Blüm at 556-578 West Grand Avenue, Oakland, California (the "Dispensary"). Black Oak subleases the property at which the Dispensary is located pursuant to that certain Sublease dated March 29, 2016, by and between CCIG Properties, LLC and Black Oak (the "Lease"). The term of the lease is six years commencing April 1, 2016 and terminating March 31, 2022, with an option to extend the Lease for an additional four-year term. The monthly lease amount is \$28,000 (the "Base Rent Amount"). The Base Rent Amount is subject to an approximately 3% increase per year. A copy of the Lease was attached to this Current Report on Form 8-K as Exhibit 10.27 filed with the Securities and Exchange Commission on April 4, 2017 and is incorporated by reference herein.

In connection with the Merger, we also entered into an Operations and Asset Management Agreement dated March 31, 2016, by and among Platinum Standard, LLC (the "Operator"), Black Oak, and us (the "OMA"), whereby the Operator has agreed to operate and maintain the Dispensary and provide certain asset management services related to the "Blüm" brand, real estate matters, and industry developments as to products and best practices related to all aspects of the Dispensary. The Operator is comprised of those individuals who operated the Dispensary immediately before the Closing Date. Pursuant to the terms of the OMA, we agreed to pay the Operator an annual fee of \$500,000 per year. If, between April 1, 2016 and March 31, 2017, the revenue projections for the Dispensary are met, the annual fee increases to \$550,000 for the next 12-month period, and, if after that second 12-month period, the revenue projections are again met, the annual fee increases to \$600,000 for the third 12-month period. Commencing on the fourth 12-month period, the annual fee will be equal to 3.5% of the gross revenues from the operation of the Dispensary. The Operator is also entitled to additional fees in connection with the operation of a cultivation center located at the Dispensary equal to 50% of the net profits for the first three of the 12-month periods that the OMA is effective. The OMA has a term of ten years, with an option to renew for another ten-year period upon mutual agreement of Platinum and us. The OMA will automatically terminate if the Dispensary's operating revenue drops 20% from one year to the next after the first three-year period or if we cease operations at the Dispensary. The foregoing description of the OMA is only a summary and is qualified in its entirety by reference to the full text of the OMA, which was filed as Exhibit 10.29 to our Quarterly Report on Form 10-Q for our quarter ended March 31, 2016 that was filed with the Securities and Exchange Commission on May 15, 2016.

Caution Concerning Forward-Looking Statements

Statements that are not historical in nature constitute forward-looking statements. These forward-looking statements are accompanied by words such as "anticipate," "expect," "project," "will," "believe," "estimate," and similar expressions. Such expectations are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans, and are subject to a number of risks and uncertainties inherent in projecting future conditions, events, and results. Actual results could differ materially from those expressed or implied in the forward-looking statements if one or more of the underlying assumptions or expectations prove to be inaccurate or are unrealized. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the risk that we are unable to timely integrate Black Oak into our operations, the risk that we fail to realize the benefits expected from the Merger, and the risk that we are unable to retain current customers, suppliers, and key personnel of Black Oak following the Merger. Additional factors that could cause actual results to differ materially from those contemplated within this Current Report Form 8-K can also be found in our Risk Factor disclosures in our Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission and available on our website. The information contained in this Current Report on Form 8-K is as of the date indicated. We do not assume any obligation to update any forward-looking statements contained in this Current Report on Form 8-K as a result of new information or future events or developments.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

The audited financial statements of Black Oak as of and for the years ended December 31, 2015 and 2014, and the notes and independent auditors' report related thereto, are attached hereto as Exhibit 99.1 and are incorporated herein by reference.

The unaudited financial statements of Black Oak as of and for the three months ended March 31, 2016 and 2015, and the unaudited notes related thereto, are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro Forma Financial Information

The pro forma financial information required by this item is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

(d) Exhibits

Exhibits	Description of Exhibit
99.1	Audited financial statements of Black Oak Gallery for the years ended December 31, 2015 and 2014
99.2	Unaudited financial statements of Black Oak Gallery as of and for the three months ended March 31, 2016 and 2015
99.3	Unaudited pro forma condensed combined financial information

SIGNATURES

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

TERRA TECH CORP.

Date: July 20, 2016

By: /s/ Derek Peterson
Derek Peterson
President and Chief Executive Officer

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF
TERRA TECH CORP., ITS WHOLLY-OWNED SUBSIDIARIES,
AND BLACK OAK GALLERY**

Pro Forma Financial Information

The following unaudited pro forma condensed combined financial statements give effect to the merger (the "Merger") between Terra Tech Corp. ("Terra Tech") and Black Oak Gallery ("Black Oak") and represent our acquisition of all of the capital stock of Black Oak, which was accounted for as a purchase. We are applying the acquisition method of accounting.

Black Oak

The unaudited pro forma condensed combined financial statements as of March 31, 2016 give effect to the Merger. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2015, combines the statement of operations of Terra Tech and Black Oak and gives pro forma effect to these transactions as if they were completed on January 1, 2015.

Immediately following the completion of the Merger, assuming the issuance of shares pursuant to certain earn-out contingent consideration shares, Terra Tech's previous stockholders owned 349,739,408 shares of common stock and Black Oak shareholders owned 235,236,144, or approximately 40% of the outstanding shares of Terra Tech's common stock. The acquisition will be accounted for as a purchase, applying the acquisition method of accounting, with the assets acquired and liabilities assumed recorded at fair value.

The unaudited pro forma information is presented for illustration purposes only in accordance with the assumptions set forth below and in the notes to the pro forma condensed combined financial statements.

The unaudited pro forma condensed combined balance sheets as of March 31, 2016 combines the balance sheets of Terra Tech and Black Oak and gives pro forma effect to:

- (i) the exchange of 100% of the outstanding shares of Black Oak common stock for the right to receive approximately 8,167 shares of our Series Z Preferred Stock (or, upon conversion, 81,661,649 shares of our common stock), of which approximately 1,176 shares thereof were issued and paid at closing (or, upon conversion, 11,759,242 shares of our common stock), and approximately 8,668,700 shares of our Series B Preferred Stock (or, upon conversion, 46,675,104 shares of our common stock), of which approximately 1,248,300 shares thereof were issued and paid at closing (or, upon conversion, 6,721,254 shares of our common stock), and approximately 21,380 shares of our Series Q Preferred Stock (or, upon conversion, 106,899,391 shares of our common stock), of which approximately 3,696 shares thereof were issued and paid at closing (or, upon conversion, 18,480,493 shares of our common stock);

- (ii) the recording of a liability associated with the remaining shares of our Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued but not paid at closing pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), of which approximately 4,210 shares of our Series Z Preferred Stock (or, upon conversion, 42,098,295 shares of our common stock), approximately 4,468,872 shares of our Series B Preferred Stock (or, upon conversion, 24,061,862 shares of our common stock), and approximately 8,945 shares of our Series Q Preferred Stock (or, upon conversion, 44,722,796 shares of our common stock) are subject to a 12-month Lockup (the "Lockup Shares"); and approximately 2,781 shares of our Series Z Preferred Stock (or, upon conversion, 27,804,112 shares of our common stock), approximately 2,951,528 shares of our Series B Preferred Stock (or, upon conversion, 15,891,988 shares of our common stock), and approximately 8,739 shares of our Series Q Preferred Stock (or, upon conversion, 43,696,102 shares of our common stock) are subject to certain holdback provisions (the "Holdback Shares"). The Lockup Shares and the Holdback Shares are held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided in the Merger Agreement. We have recorded an earn-out provision for the Holdback Shares contingent consideration;
- (iii) the recording of a contingent consideration associated with the right of those Black Oak Sellers who requested to receive up to \$2,088,000 in cash consideration, rather than additional Terra Tech equity, pursuant to certain earn-out provisions (the "Performance-based Cash Payment");
- (iv) the recording of the fair value of the assets acquired and liabilities assumed pursuant to the Merger Agreement.

The pro forma statement of operations of Terra Tech and Black Oak for the year ended December 31, 2015, has been derived from their respective audited financial statements for the same period. The unaudited pro forma condensed combined balance sheets and statement of operations for the quarter ended March 31, 2016, are based on assumptions and include adjustments as explained in the notes thereto and do not necessarily reflect the results of operations of Terra Tech and Black Oak that actually would have resulted had the acquisition been consummated as of the dates referred to above. Accordingly, such data should not be viewed as fully representative of the past performance of Terra Tech or Black Oak or indicative of future results.

These unaudited pro forma condensed combined financial statements are based upon the respective historical financial statements of Terra Tech and Black Oak and should be read in conjunction with the historical financial statements of Terra Tech and Black Oak and the related notes.

Terra Tech Corp. and Black Oak Gallery
Pro Forma Balance Sheet
As of March 31, 2016

	<u>Terra Tech Corp</u>	<u>Black Oak Gallery</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Assets				
Current Assets:				
Cash	\$ 1,131,000	\$ 163,566	\$ -	\$ 1,294,566
Accounts receivable, net	803,916	-	-	803,916
Prepaid expenses	19,368	525,217	-	544,585
Inventory	1,319,061	103,664	-	1,422,725
Total Current Assets	<u>3,273,345</u>	<u>792,447</u>	-	<u>4,065,792</u>
Property, equipment and leasehold improvements, net	7,314,449	681,896	-	7,996,345
Intangible assets, net	1,474,690	-	-	1,474,690
Intangible assets - Black Oak Gallery			51,489,665(2)	51,489,665
Deposits	90,636	-	-	90,636
Total Assets	<u>\$ 12,153,120</u>	<u>\$ 1,474,343</u>	<u>\$ 51,489,665</u>	<u>\$ 65,117,128</u>
Liabilities and Stockholders' Equity				
Current Liabilities				
Accounts payable and accrued expenses	\$ 1,394,387	\$ 177,228	\$ -	\$ 1,571,615
Derivative liability	1,334,000	-	-	1,334,000
Accrued liabilities	553,778	2,076,810	43,038(1)	2,673,626
Total Current Liabilities	<u>3,282,165</u>	<u>2,254,038</u>	<u>43,038</u>	<u>5,579,241</u>
Long Term Liabilities				
Long-term debt	1,250,000	-	-	1,250,000
Deferred tax liability, net	44,000	101,900	-	145,900
Total Long Term Liabilities	<u>1,294,000</u>	<u>101,900</u>	-	<u>1,395,900</u>
Commitment and Contingencies				
Black Oak Gallery - Contingency			12,754,553(3)	12,754,553
Stockholders' Equity				
Preferred stock, Convertible Series A, Par value \$0.001; authorized and issued 100 shares as of March 31, 2016				
	-	-	-	-
Preferred stock, Convertible Series B, Par value \$0.001; authorized 24,970,000 shares as of March 31, 2016; issued and outstanding as of 21,867,172 as of March 31, 2016				
	16,150	-	5,717(4)	21,867
Preferred stock, Convertible Series Q, Par value \$0.001; authorized 21,600 shares as of March 31, 2016; 12,639 shares outstanding as of March 31, 2016				
	-	-	13(4)	13
Preferred stock, Convertible Series Z, Par value \$0.001; authorized 8,300 shares as of March 31, 2016; 5,385 shares outstanding as of March 31, 2016				
	-	-	5(4)	5
Common stock, Par value \$0.001; authorized 350,000,000 shares; issued 349,739,408 shares as of March 31, 2016				
	349,740	-	-	349,740
Additional paid-in capital	57,176,915	10,100	38,729,377(4)	95,916,392
Accumulated Deficit	(50,078,173)	(891,695)	(43,038)(1)	(51,012,906)
Total Terra Tech Corp. stockholders' equity	<u>7,464,632</u>	<u>(881,595)</u>	<u>38,692,074</u>	<u>45,275,111</u>
Non-controlling interest	112,323	-	-	112,323
Total Stockholders' Equity	<u>7,576,955</u>	<u>(881,595)</u>	<u>38,692,074</u>	<u>45,387,434</u>
Total Liabilities and Stockholders' Equity	<u>\$ 12,153,120</u>	<u>\$ 1,474,343</u>	<u>\$ 51,489,665</u>	<u>\$ 65,117,128</u>

Terra Tech Corp. and Black Oak Gallery
Pro forma Statement of Operations
For the Quarter Ended March 31, 2016

	<u>Terra Tech Corp</u>	<u>Black Oak Gallery</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Total Revenues	\$ 1,548,167	\$ 3,372,474	\$ (16,076)(5)	\$ 4,904,565
Cost of Goods Sold	1,414,193	2,912,104	(8,038)(5)	4,318,259
	133,974	460,370	(8,038)	586,306
Selling, general and administrative expenses	2,046,348	515,692	35,000(6)	2,597,040
Loss from operations	(1,912,374)	(55,322)	(43,038)	(2,010,734)
Other Income (Expenses)				
Amortization of debt discount	(94,406)	-	-	(94,406)
Loss on extinguishment of debt	(920,797)	-	-	(920,797)
Loss from derivatives issued with debt greater than debt carrying value	-	-	-	-
Gain (Loss) on fair market valuation of derivatives	(1,160,700)	-	-	(1,160,700)
Interest Expense	(55,995)	-	-	(55,995)
Total Other Income (Expense)	(2,231,898)	-	-	(2,231,898)
Loss before Provision of Income Taxes	(4,144,272)	(55,322)	(43,038)	(4,242,632)
Provision for income taxes	-	76,868	-	76,868
Net Loss	(4,144,272)	(132,190)	(43,038)	(4,319,500)
Net Loss attributable to non-controlling interest	18,208	-	-	18,208
Net Loss attributable to Terra Tech Corp.	<u>\$ (4,126,064)</u>	<u>\$ (132,190)</u>	<u>\$ (43,038)</u>	<u>\$ (4,301,292)</u>

Note 1 - Adjustment from Pro Forma Statement of Operations.

Note 2 - Fair market value of assets acquired from Black Oak Gallery, see Footnote 4.

Note 3 - Cash and Stock Contingency expected to be paid and issued for Black Oak Gallery acquisition, see Footnote 6.

Note 4 - Preferred stock par value and additional paid in capital for the issuance of stock for the Black Oak Gallery acquisition, see Footnotes 2 and 3.

Note 5 - Sales and cost of goods sold between Terra Tech Corp. and Black Oak Gallery.

Note 6 - Add new Platinum agreement less salaries paid to Black Oak Gallery partners.

**Terra Tech Corp and Black Oak Gallery
Pro Forma Statement of Operations
For the Year Ended December 31, 2015**

	Terra Tech Corp	Black Oak Gallery	Pro Forma Adjustments	Pro Forma
Total Revenues	\$ 9,975,346	\$ 12,983,824	\$ (683,516)(1)	\$ 22,275,654
Cost of Goods Sold	8,958,475	10,709,576	(512,803)(1)	19,155,248
	1,016,871	2,274,248	(170,713)	3,120,406
Selling, general and administrative expenses	9,833,646	2,213,742	108,000(2)	12,155,388
Loss from operations	(8,816,775)	60,506	(278,713)	(9,034,982)
Other Income (Expenses)				
Amortization of debt discount	(696,180)	-	-	(696,180)
Loss on extinguishment of debt	(619,444)	-	-	(619,444)
Loss from derivatives issued with debt greater than debt carrying value	(561,000)	-	-	(561,000)
Gain (Loss) on fair market valuation of derivatives	1,800,100	-	-	1,800,100
Interest Income (Expense)	(469,576)	1,236	-	(468,340)
Total Other Income (Expense)	(546,100)	1,236	-	(544,864)
Loss before Provision of Income Taxes	(9,362,875)	61,742	(278,713)	(9,579,846)
Provision for income taxes	44,000	636,628	-	680,628
Net Loss	(9,406,875)	(574,886)	(278,713)	(10,260,474)
Net Loss attributable to non-controlling interest	181,295	-	-	181,295
Net Loss attributable to Terra Tech Corp.	<u>\$ (9,225,580)</u>	<u>\$ (574,886)</u>	<u>\$ (278,713)</u>	<u>\$ (10,079,179)</u>

Note 1 - The revenue and cost of goods sold between Terra Tech Corp. and Black Oak Gallery have been eliminated.

Note 2 - The salaries to the Black Oak Gallery partners have been eliminated and replaced with the Platinum management agreement.

INFORMATION TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Black Oak Description

Black Oak operates a medical marijuana dispensary under the name Blüm at 556-578 West Grand Avenue, Oakland, California.

Black Oak opened its retail storefront in Oakland, California in November of 2012 and is a retail seller, distributor and grower of medical marijuana. Black Oak sells a combination of its own cultivated products, as well as high quality name-brand products from outside suppliers. In addition to multiple grades of medical marijuana, it sells "edibles," which include cannabis-infused baked goods, chocolates, and candies; cannabis-infused topical products, such as lotions, massage oils and balms; clones of marijuana plants; and numerous kinds of cannabis concentrates, such as hash, shatter, and wax. The location consists of a retail dispensary storefront, indoor cultivation area, laboratory, and a 20-car capacity parking lot, collectively known as the Blüm Campus.

2. The Merger and Basis of Presentation

The below summary of the Merger Agreement is qualified by the entire agreement, to which the reader should refer and which was filed with the SEC on March 29, 2016, as Exhibit 2.5 to our Annual Report on Form 10-K.

The accompanying unaudited pro forma financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP).

On March 31, 2016 (the "Closing Date"), we completed the acquisition of Black Oak, through a merger (the "Merger") of our wholly-owned merger subsidiary, Generic Merger Sub, Inc., with and into Black Oak, with Black Oak as the surviving corporation, and becoming our wholly-owned subsidiary. The acquisition date (the "Acquisition Accounting Date") for accounting purposes was on April 1, 2016.

Pursuant to the Merger Agreement, the outstanding shares of common stock of Black Oak held by (i) three of the then-current shareholders of Black Oak (the "Group A Shareholders") were converted into the right to receive approximately 8,167 shares of our Series Z Preferred Stock (or, upon conversion, 81,661,649 shares of our common stock), of which approximately 1,176 shares of Series Z Preferred Stock were issued and paid at closing (or, upon conversion, 11,759,242 shares of our common stock), and approximately 8,668,700 shares of our Series B Preferred Stock (or, upon conversion, 46,675,104 shares of our common stock), of which approximately 1,248,300 shares of Series B Preferred Stock (or, upon conversion, 6,721,254 shares of our common stock) were issued and paid at closing and (ii) the remaining shareholders of Black Oak (the "Group B Shareholders") were converted into the right to receive approximately 21,380 shares of our Series Q Preferred Stock (or, upon conversion, 106,899,391 shares of our common stock), of which approximately 3,696 shares of Series Q Preferred Stock (or, upon conversion, 18,480,493 shares of our common stock) were issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that were issued but not paid to the Black Oak legacy shareholders at closing are subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided for in the Merger Agreement.

Each share of our Series Q Preferred Stock is to be converted into 5,000 shares of our common stock and each share of our Series Z Preferred Stock is to be converted into 1,857 shares of our Series B Preferred Stock, in each case immediately upon our filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital. Accordingly, the approximately 21,380 shares of Series Q Preferred Stock issued to the Group B Shareholders is convertible into approximately 106,899,391 shares of our common stock and the approximately 8,167 shares of our Series Z Preferred Stock issued to the Group A Shareholders is convertible into approximately 15,166,552 shares of our Series B Preferred Stock. The Series Z Preferred Stock is intended to mirror the rights of the holders of our Series B Preferred Stock. Each share of our Series B Preferred Stock remains convertible into 5.384325537 shares of our common stock. Certain of the Group B Shareholders requested to receive cash consideration up to approximately \$2,088,000 in lieu of additional equity of Terra Tech.

The securities issued, and to be issued upon conversion of the preferred stock, are exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") in reliance on Sections 3(a)(9) and 4(a)(2) of the Securities Act.

Terra Tech - Accounting Acquirer

In connection with the Merger and in exchange for all of Black Oak's issued and outstanding shares of common stock, we expect to (i) issue an aggregate value (for accounting purposes as of the Acquisition Accounting Date) of approximately \$50.1 million of our capital stock (which equity had a value of approximately \$22.9 million as of the date of the Merger Agreement) and also expect to (ii) tender cash consideration equal to approximately \$1.4 million, for a total maximum value (for accounting purposes as of the Acquisition Accounting Date) of approximately \$51.5 million (or, upon conversion, approximately \$25 million as of the date of the Merger Agreement). Notwithstanding the Merger, the composition of our Board of Directors and our executive management did not change. Additionally, control of the Company, measured either by equity ownership or by voting interest, did not change. Although the revenues of Black Oak exceeded those of the Company, the Company's assets exceeded those of Black Oak. The sum of the above analysis supports the determination that the Company is the accounting acquirer.

3. Estimate of Consideration Transferred

The estimated purchase price of Black Oak (for accounting purposes as of the Acquisition Accounting Date) was approximately \$51,489,665. The purchase price of the acquisition was determined based on the value of the associated underlying shares of Terra Tech's common stock on the Acquisition Accounting Date, which value of \$0.2620 per share represented the closing sale price of Terra Tech's Common Stock, as quoted on April 1, 2016 on the OTC Market Group Inc.'s OTCQX market.

The purchase price represents the sum of:

(i) the issuance of approximately 1,176 shares of our Series Z Preferred Stock (or, upon conversion, 11,759,242 shares of our common stock), approximately 1,248,300 shares of our Series B Preferred Stock (or, upon conversion, 6,721,254 shares of our common stock), and approximately 3,696 shares of our Series Q Preferred Stock (or, upon conversion, 18,480,493 shares of our common stock), all of which if fully converted in shares of our common stock, would convert into 36,960,989 shares of our common stock (the "Closing Consideration"); and

(ii) the Lockup Shares, which comprise approximately 4,210 shares of our Series Z Preferred Stock (or, upon conversion, 42,098,295 shares of our common stock), approximately 4,468,872 shares of our Series B Preferred Stock (or, upon conversion, 24,061,862 shares of our common stock), and approximately 8,945 shares of our Series Q Preferred Stock (or, upon conversion, 44,722,796 shares of our common stock), all of which if fully converted in shares of our common stock, would convert into approximately 110,882,953 shares of our common stock (the "Lockup Consideration"); and

(iii) the Holdback Shares contingent consideration, which comprise up to approximately 2,781 shares of our Series Z Preferred Stock (or, upon conversion, 27,804,112 shares of our common stock), up to approximately 2,951,528 shares of our Series B Preferred Stock (or, upon conversion, 15,891,988 shares of our common stock), and up to approximately 8,739 shares of our Series Q Preferred Stock (or, upon conversion, 43,696,102 shares of our common stock), all of which if fully converted in shares of our common stock, would convert into approximately 87,392,202 shares of our common stock (the "Holdback Consideration"); and

(iv) the contingent consideration of up to \$2,088,000 in cash consideration pursuant to certain earn-out provisions to those Black Oak Sellers who requested cash consideration, rather than additional Terra Tech equity (the "Performance-based Cash Consideration").

Closing Consideration - Pursuant to the Merger Agreement, the consideration to be paid in shares of the Company's Preferred Stock at closing was issued and paid on April 1, 2016.

Lockup Consideration - The consideration to be paid in shares of the Company's Preferred Stock on approximately the one-year anniversary date of the Merger Agreement was issued on the Acquisition Accounting Date, which shares are held in escrow.

Holdback Consideration - The consideration to be paid in shares of the Company's Preferred Stock on approximately the one-year anniversary date of the Merger Agreement and that are subject to certain holdback provisions was issued on the Acquisition Accounting Date but which shares are held in escrow as security for the satisfaction of any post-closing adjustments or indemnification claims as provided for in the Merger Agreement.

Performance-based Cash Consideration - The consideration to be paid in cash on approximately the one-year anniversary date of the Merger Agreement and that is subject to certain holdback provisions, is unpaid and recorded as contingent consideration as security for the satisfaction of any post-closing adjustments or indemnification claims as provided for in the Merger Agreement.

The below chart outlines a summary of the purchase price:

Purchase Price Detail	Series B Preferred Stock	Series Q Preferred Stock	Series Z Preferred Stock	Preferred Stock Converted Into Common Stock	Total Consideration
Closing Consideration	1,248,300	3,696	1,176	36,960,989	\$ 9,683,779
Lockup Consideration	4,468,872	8,945	4,210	110,882,953	29,051,334
Holdback Consideration	2,951,528	8,739	2,781	87,392,202	11,324,969
Performance-based Cash Consideration				-	1,429,583
Totals	8,668,700	21,380	8,167	235,236,144	\$ 51,489,665

4. Net Assets Acquired

The acquisition of Black Oak was accounted for in accordance with ASC 805-10 Business Combinations. The assets consisted primarily of the intellectual property and established marketing associated with the name Blüm, including its website www.blumoak.com, the medical marijuana dispensary license and customer relationships.

The following table summarizes the acquisition with an estimated purchase price (for accounting purposes as of the Acquisition Accounting Date) of \$51,489,665:

Current assets	\$ 792,447
Property, plant and equipment	681,896
Customer relationships	13,406,577
Trade Name	6,884,441
Dispensary license	12,900,442
Liabilities	<u>(2,355,938)</u>
Total identifiable net assets	\$ 32,309,865
Goodwill	19,179,800
Net assets	<u>\$ 51,489,665</u>

5. Common Stock

The following is a summary of Terra Tech common stock outstanding after the Merger:

Terra Tech Common Stock	Shares
Shares held by existing Terra Tech common stockholders as of April 1, 2016	349,739,408
Shares of Terra Tech common stock issued to Black Oak shareholders at closing	36,960,989
Additional shares of Terra Tech common stock to be issued to Black Oak Sellers pursuant to the Lockup Consideration	110,882,953
Additional shares of Terra Tech common stock to be issued to Black Oak Sellers pursuant to the Holdback Consideration	87,392,202
Total potential shares outstanding after the Merger	<u>584,975,552</u>

The unaudited pro forma condensed combined financial statements reflect the issuance of 36,960,989 shares of Terra Tech common stock (\$0.001 par value per share) to the Black Oak Sellers in exchange for 100% of the common stock of Black Oak.

Additionally, the pro forma condensed combined financial statements reflect 110,882,953 shares of Terra Tech common stock to be issued to the Black Oak Sellers pursuant to certain Lockup provisions and 87,392,202 shares of Terra Tech common stock to be issued to the Black Oak Sellers pursuant to certain Holdback earn-out provisions.

6. Contingent Consideration Liability

Terra Tech accounts for Contingent Consideration according to FASB ASC 805 *Business Combinations*. Contingent consideration typically represents the acquirer's obligation to transfer additional assets or equity interests to the former owners of the acquiree if specified future events occur or conditions are met. FASB ASC 805 requires that contingent consideration be recognized at acquisition-date fair value as part of the consideration transferred in the transaction. FASB ASC 805 uses the fair value definition in *Fair Value Measurements*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As defined in FASB ASC 805, contingent consideration is (i) an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met or (ii) the right of the acquirer to the return of previously transferred consideration if specified conditions are met.

Accordingly, Terra Tech valued the Holdback Consideration and the Performance-based Cash Payment Consideration (together, "Contingent Consideration"), based on an analysis using a cash flow model to determine the expected contingent consideration payment, which model determined that the aggregate expected contingent consideration liability was \$15,305,463 and the present value of the contingent consideration liability was \$12,754,553. Terra Tech thus recognized at the Acquisition Accounting Date a \$12,754,553 contingent consideration liability amount associated with the Contingent Consideration as part of the consideration transferred pursuant to the Merger Agreement.

The probabilities for the different scenarios in determining the likelihood of payouts related to the Contingent Consideration (e.g., 75% probability that upside scenario will be achieved), as well as the discount rate used in our calculations were based on internal Terra Tech projections which were vetted by senior management.

Holdback Contingent Consideration

The Holdback Contingent Consideration is comprised of (i) the Market-Based Clawback Amount and (ii) the Performance-Based Clawback Amount and is to be paid in shares of our Preferred Stock on approximately the one-year anniversary date of the Merger Agreement.

The Market-Based Clawback Amount is determined as follows:

- a) If the Terra Tech Common Stock 30-day VWAP on the one-year anniversary date of the Merger Agreement exceeds the Terra Tech Closing Price, the Market-Based Clawback Amount shall mean the number of shares of Terra Tech Common Stock equal to (i) (A) \$4,912,000.00 divided by (B) the Terra Tech Closing Price, less (ii) (A) \$4,912,000.00 divided by (B) the Terra Tech Common Stock 30-day VWAP on such date.
- b) If the Terra Tech Common Stock 30-day VWAP on the one-year anniversary date of the Merger Agreement is less than or equal to the Terra Tech Closing Price, the Market-Based Clawback Amount shall be zero shares.

In no event will the Market-Based Clawback Amount exceed 50% of the Holdback Shares Amount.

The Performance-Based Clawback Amount is determined as follows:

- a) The "Lower Threshold" means an amount equal to \$11,979,351.00, and the "Upper Threshold" means an amount equal to \$16,667,000.00.
- b) If Black Oak's operating revenues for the 12-month period following the Closing Date (the "Year 1 Revenue") is less than the Lower Threshold, then the Performance-Based Clawback Amount shall be the number of shares obtained from a quotient, (A) the numerator of which is equal to the sum of (1) \$4,912,000.00, plus (2) the product of 1.5 multiplied by the difference between the Lower Threshold and the Year 1 Revenue, and (B) the denominator of which is the Terra Tech Common Stock 30-day VWAP as of the one-year anniversary date of the Merger Agreement.
- c) If the Year 1 Revenue is greater than or equal to the Lower Threshold but is less than the Upper Threshold, then the Performance-Based Clawback Amount shall be the number of shares obtained from a quotient, (A) the numerator of which is equal to the product of 1.053 multiplied by the difference between the Upper Threshold and the Year 1 Revenue, and (B) the denominator of which is the Terra Tech Common Stock 30-day VWAP as of the one-year anniversary date of the Merger Agreement.
- d) If the Year 1 Revenue is greater than or equal to the Upper Threshold, then the Performance-Based Clawback Amount shall be zero (0) shares.

Performance-based Cash Payment Contingent Consideration

Pursuant to the Merger Agreement, certain of the Group B Shareholders requested to receive cash consideration of up to approximately \$2,088,000 rather than additional Terra Tech equity to be paid on approximately the one-year anniversary date of the Merger Agreement under the following conditions:

- (a) zero dollars if Year 1 Revenue is below or equal to \$12,000,000; and
- (b) the product obtained by multiplying 0.447 times Year 1 Revenue if Year 1 Revenue is greater than \$12,000,000, provided that in no event shall the Performance-based Cash Payment amount exceed \$2,088,000.

Pursuant to the above formula, if the Revenue in Year 1 equals \$16,666,666, then the Performance-based Cash Payment will be \$2,088,000 calculated as follows:

Year 1 Revenue	\$ 16,666,666
Less:	\$ 12,000,000
	\$ 4,666,666
	0.44742864
Performance-based Cash Payment	\$ 2,088,000

The Company calculated the Contingent Consideration based upon the following formula:

<u>Year 1 Revenue</u>	<u>One-year Anniversary Date of the Merger 30-Day VWAP</u>	<u>Value of Common Stock to Issue</u>	<u>Performance-Based Cash Payment</u>	<u>Probability</u>	<u>Probability-Weighted Amounts</u>		<u>Total</u>	
					<u>Earn-out Shares</u>	<u>Performance-Based Cash</u>		
	5%	\$ 21,633,120	\$ 2,088,000	3.8%	\$ 811,242	\$ 78,300	\$ 889,542	
	\$ 0.1077							
Upside	75%	15%	\$ 15,879,947	\$ 2,088,000	11.3%	\$ 1,786,494	\$ 234,900	\$ 2,021,394
\$ 16,667,000	\$ 0.2077							
	80%	\$ 13,866,243	\$ 2,088,000	60.0%	\$ 8,319,746	\$ 1,252,800	\$ 9,572,546	
	\$ 0.3077							
	5%	\$ 13,958,097	\$ 747,500	1.0%	\$ 139,581	\$ 7,475	\$ 147,056	
	\$ 0.1077							
Base	20%	15%	\$ 11,900,169	\$ 747,500	3.0%	\$ 357,005	\$ 22,425	\$ 379,430
\$ 13,670,835	\$ 0.2077							
	80%	\$ 11,179,860	\$ 747,500	16.0%	\$ 1,788,778	\$ 119,600	\$ 1,908,378	
	\$ 0.3077							
	5%	\$ 4,922,966	\$ 0	0.3%	\$ 12,307	\$ 0	\$ 12,307	
	\$ 0.1077							
Downside	5%	15%	\$ 7,215,125	\$ 0	0.8%	\$ 54,113	\$ 0	\$ 54,113
\$ 10,674,670	\$ 0.2077							
	80%	\$ 8,017,417	\$ 0	4.0%	\$ 320,697	\$ 0	\$ 320,697	
	\$ 0.3077							
Fair Value of Expected Earn-out Payment					\$ 13,589,963	\$ 1,715,500	\$ 15,305,463	
Price per common Shares					\$ 0.2620	\$ 0.2620		
Discount rate					20%	20%		
Periods					1.00	1.00		
Present value factor at 20% discount rate for 12 months					0.8333	0.8333		
Present value of contingent consideration					\$ 11,324,969	\$ 1,429,583		
Present value of contingent consideration							\$ 12,754,553	