TEKDRY INTERNATIONAL, INC.

SUBSCRIPTION PROCEDURES

IMPORTANT: PLEASE READ CAREFULLY BEFORE SIGNING THESE DOCUMENTS WHICH CONTAIN SIGNIFICANT REPRESENTATIONS.

To invest in and become a convertible note lender to TekDry International, Inc., each prospective investor must do the following

1. Read the Convertible Note Subscription Agreement (the "***Subscription Agreement***") which includes: (i) a draft copy of a proposed convertible promissory note attached or under separate cover as **Exhibit A** (the "***Note***"); (ii) the Schedule of Exceptions attached as **Exhibit C**; (iii) copies of the Company's Certificate of Incorporation and Bylaws, attached or under separate cover as **Exhibit D** (the "***Charter***"); and (iv) certain risk factors related to an investment in the Company attached or under separate cover as **Exhibit E**.

2. **Complete, execute, and deliver** to the Company (i) one copy of the signature page to the Subscription Agreement and (ii) one copy of the Investor Suitability Questionnaire included under separate cover as **Exhibit B**;

3. **Deliver to the Company** a check or wire transfer payable to the Company in the amount of your subscription for the amount of Notes you with to purchase.

Then, return ALL of the above documents to:	**Wire transfer instructions:**
Dennis J. Schouten CFO P.O Box 1535 Broomfield, CO 80038 dennis@tekdry.com	Wells Fargo Bank N.A. 1242 Pearl St., Boulder, CO 80302 Telephone No.: 1-888-384-8400 Swift Code: WFBIUS6S Routing Number: 121000248 Account Number: 2502063593 For Further Credit to: TekDry International, Inc. Note Offering Account Reference: [Your Name]

Upon receipt of these documents, we will review all information and determine whether or not to accept your subscription. Payments for subscriptions will be held until the Company accepts your subscription, at which time payments will be deposited into the Company's operating account. ***If, for any reason, your subscription is not accepted, your payment will be returned to you***. Within approximately thirty (30) days of the Company's acceptance of your subscription, you should receive countersigned signature pages and an executed Note. Please contact the Company's Chief Executive Officer for more information or if you have any questions regarding these subscription procedures.

TEKDRY INTERNATIONAL, INC.

CONVERTIBLE PROMISSORY NOTE SUBSCRIPTION AGREEMENT

THIS CONVERTIBLE PROMISSORY NOTE SUBSCRIPTION AGREEMENT (the "***Agreement***") is made as of the date of acceptance set forth on the signature page hereof (the "***Effective Date***") by and among **TEKDRY INTERNATIONAL, INC.** a Delaware corporation (the "***Company***"), and the persons and entities named on the Schedule of Purchasers attached hereto (individually, a "***Purchaser***" and collectively, the "***Purchasers***").

RECITAL

A. To provide the Company with additional resources to conduct its business, the Purchasers are willing to loan to the Company in one or more disbursements up to an aggregate amount of $1,500,000 (the "***Maximum Loan Amount***").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises, representations, warranties, covenants and conditions set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Purchaser, intending to be legally bound, hereby agree as follows:

1. AMOUNT AND TERMS OF THE LOAN

1.1 The Loan. Subject to the terms of this Agreement, Purchaser agrees to lend to the Company the amount set forth on the signature page hereto (each, a "***Loan Amount***") against the issuance and delivery by the Company of a convertible promissory note for such Loan Amount, in substantially the form attached hereto as **EXHIBIT A** (each, a "***Note***" and collectively, the "***Notes***"). Each Note issued pursuant to this Section 1.1 shall be convertible into capital stock of the Company as provided in such Note. The Loan Amount from each Purchaser shall be set forth opposite such Purchaser's name on the Schedule of Purchasers attached to this Agreement.

2. CLOSING AND DELIVERY

2.1 Closing. The initial closing of the sale and purchase of Notes (the "***Initial Closing***") was held on March 13, 2015 (such date is hereinafter referred to as the "***Initial Closing Date***").

2.2 Subsequent Sales of Notes. At any time on or before June 30, 2016 (or such later date as may be determined by the Company), the Company may continue to sell Notes representing up to the balance of the Maximum Loan Amount to one or more investors (each, an "***Additional Purchaser***"). All such sales made at any additional closings (each an "***Additional Closing***") shall be made on the terms and conditions set forth in this Agreement, and (i) the representations and warranties of the Company set forth in Section 4 hereof shall speak as of November 30, 2015 (except to the extent they expressly reference a different date) and the Company shall have no obligation to update any such disclosure, and (ii) the representations and warranties of the

Additional Purchasers in Section 4 hereof shall speak as of such Additional Closing. The Initial Closing and each Additional Closing shall be deemed a "***Closing***" hereunder. This Agreement, including without limitation, the Schedule of Purchasers, may be amended by the Company without the consent of Purchasers to include any Additional Purchasers upon the execution by such Additional Purchasers of a counterpart signature page to this Agreement. Any Notes sold pursuant to this Section 2.2 shall be deemed to be "Notes," for all purposes under this Agreement and any Additional Purchasers thereof shall be deemed to be "Purchasers" for all purposes under this Agreement.

2.3 Delivery. At each Closing (i) each Purchaser shall deliver to the Company a check or wire transfer funds in the amount of such Purchaser's Loan Amount; and (ii) the Company shall issue and deliver to each Purchaser a Note in favor of such Purchaser payable in the principal amount of such Purchaser's Loan Amount.

3. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

3.1 Authorization; Binding Obligations. Purchaser has all necessary power and authority to execute and deliver this Agreement and to carry out its provisions. All action on Purchaser's part required for the lawful execution and delivery of this Agreement has been taken. Upon its execution and delivery, this Agreement will be a valid and binding obligation of Purchaser, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

3.2 Purchase for Own Account. Purchaser represents that it is acquiring the Securities (defined below) solely for its own account and not for sale or with a view to distribution of the Securities or any part thereof, has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the Securities, and does not presently have reason to anticipate a change in such intention.

3.3 Information and Sophistication. Purchaser hereby: (i) acknowledges that it has received all the information it has requested from the Company it considers necessary or appropriate for deciding whether to acquire the Securities; (ii) represents that it has had an opportunity to ask questions and receive answers from the directors and officers of the Company regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given the Purchaser; and (iii) further represents that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of this investment.

3.4 No Registration. Purchaser understands that the Securities have not been registered under the Securities Act (defined below) or any securities law of any state of the United States or any other jurisdiction, in each case in reliance on an exemption for private offerings and constitute "restricted securities" under Rule 144 promulgated under the Securities Act.

3.5 No Additional Information or Advertising. Purchaser acknowledges that it is purchasing the Securities without being furnished any offering literature and did not rely on any information other than its own due diligence regarding the Company to make its investment

decision. Purchaser is not purchasing the Securities as a result of or subsequent to (i) any advertisement, article, notice or other communications published in any newspaper, magazine or other similar media (including any internet site that is not password protected) or broadcast over television or radio, or (ii) any seminar or meeting whose attendees, including the Purchaser, had been invited as a result of, subsequent to or pursuant to the foregoing..

3.6 Ability to Bear Economic Risk. Purchaser is aware that: (i) because the Securities have not been registered under the Securities Act, there is currently no public market for the Securities and it is not anticipated that such a market will ever develop; (ii) that it may not be able to avail itself of the provisions of Rule 144 of the Securities Act with respect to the Securities; and (iii) the Securities may not be resold or otherwise disposed of unless otherwise registered under the Securities Act or an exemption from such registration is available. Purchaser understands that the Company is under no obligation, and does not intend, to file any such registration at any time.

3.7 Further Limitations on Disposition. Without in any way limiting the representations set forth above, Purchaser further agrees not to resell or make any disposition of all or any portion of the Securities unless and until:

(a) There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(b) Purchaser shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, such Purchaser shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration under the Securities Act or any applicable state securities laws, provided that no such opinion shall be required for dispositions in compliance with Rule 144, except in unusual circumstances.

(c) Notwithstanding the provisions of paragraphs (a) and (b) above, no such registration statement or opinion of counsel shall be necessary for a transfer by such Purchaser to a partner (or retired partner) or member (or retired member) of such Purchaser in accordance with partnership or limited liability company interests, or transfers by gift, will or intestate succession to any spouse or lineal descendants or ancestors, if all transferees agree in writing to be subject to the terms hereof to the same extent as if they were Purchasers hereunder.

3.8 Stockholder Agreements. Upon the issuance of Conversion Securities (defined below) upon conversion of the Notes, Purchaser agrees, at the request of the Company, to execute, deliver and become a party to, in a capacity similar to that of the other holders of the Conversion Securities, such Company stockholder agreements as have been entered into by holders of the Conversion Securities and the Company's common stock. These agreements shall provide rights in addition to the rights, privileges and preferences set forth in the Charter (defined below) and execution thereof is a condition to receiving the Conversion Securities. Purchaser understands that execution of such stockholder agreement is a condition to issuance of the Conversion Securities.

3.9 Foreign Purchasers. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "***Code***")), Purchaser

hereby represents that Purchaser has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any government or other consents that may need to be obtained in connection with such purchase, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Shares. The Company's offer and sale and Purchaser's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of Purchaser's jurisdiction.

3.10 Advice of Counsel. Purchaser has reviewed this Agreement in its entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement.

3.11 Residence If Purchaser is an individual, then Purchaser resides in the state or province identified in the address of Purchaser set forth on the signature page hereto; if Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of Purchaser in which its investment decision was made is located at the address or addresses of Purchaser set forth on the signature page hereto.

3.12 Accredited Investor Status. Purchaser is an "accredited investor" within the meaning of Regulation D, Rule 501(a) under the Securities Act ("***Accredited Investor***") and shall certify to the Company its status as an "accredited investor" by delivering to the Company a fully completed and executed Investor Suitability Questionnaire substantially in the form attached as **EXHIBIT B** hereto (the "***Investor Suitability Questionnaire***") and such further assurances of such status as may be reasonably requested by the Company.

4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Purchaser as of the Closing that, except as set forth on the Schedule of Exceptions attached hereto as **EXHIBIT C** (the "***Schedule of Exceptions***"), each of the following statements will be true and correct as of the Closing Date:

4.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign entity in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

4.2 Corporate Power. The Company has all requisite corporate power to execute and deliver this Agreement, to issue each Note (collectively, the "***Loan Documents***") and to carry out and perform its obligations under the terms of the Loan Documents.

4.3 Authorization. All corporate action on the part of the Company, its directors and its owners necessary for the authorization of the Loan Documents and the execution, delivery and performance of all obligations of the Company under the Loan Documents, including the issuance

and delivery of the Notes and the reservation of the equity securities issuable upon conversion of the Notes (collectively, the "***Conversion Securities***") has been taken or will be taken prior to the issuance of such Conversion Securities. The Loan Documents, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws. The Conversion Securities, when issued in compliance with the provisions of the Loan Documents will be validly issued, fully paid and nonassessable and free of any liens or encumbrances and issued in compliance with all applicable federal and securities laws.

4.4 Capitalization. As of November 30, 2015, the authorized capital stock of the Company consists of 8,000,000 shares of Common Stock, par value $0.001 per share ("***Common Stock***"), 4,348,484 shares of which are issued and outstanding, and 2,000,000 shares of preferred stock, par value $0.001 per share, none of which were issued and outstanding. Upon approval by the holders of Common Stock, the Company will have reserved 1,500,000 shares of Common Stock for issuance to employees, consultants and directors pursuant to its 2015 Equity Incentive Plan. Additionally, the Company has issued a warrant to Acumen Financial Counsel, Ltd. to purchase 327,331 shares of Common Stock and a warrant to Hawkeye Ventures, Ltd., a secured lender to the Company ("***Lender***") to purchase 5.14% of the Company's Common Stock (on a fully diluted basis). Copies of the Company's Certificate of Incorporation and Bylaws are attached hereto as **EXHIBIT D** (the "***Charter***"). Upon approval by the holders of the Common Stock, the Company's Certificate of Incorporation will be amended to provide that until such time as its secured loan and other obligations have been fully repaid to Lender, one (1) of the Company's directors shall be designated by Lender. When issued in compliance with the provisions of this Agreement and the Charter, the Conversion Securities will be validly issued, fully paid and non-assessable, and will be free of any liens or encumbrances, other than any right of first refusal set forth in the Company's Charter or in any stockholder agreement among the stockholders of the Company; *provided, however,* that the Conversion Securities may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed. Except as set forth on the Schedule of Exceptions and as described herein, there are no other outstanding shares of stock of the Company or rights to purchase shares of stock of the Company or other agreements or understandings to purchase equity securities of the Company.

4.5 Liabilities. Except as set forth on the Schedule of Exceptions, as of the date hereof, the Company has no material liabilities and, to the best of its knowledge, no material contingent liabilities, except current liabilities incurred in the ordinary course of business.

4.6 Offering. Assuming the accuracy of the representations and warranties of the Purchasers contained in Section 3 hereof and in the Investor Suitability Questionnaire, the Company intends that the offer, issue, and sale of the Notes and the Conversion Securities (collectively, the "***Securities***") will be exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the "***Securities Act***"), and that the Securities will be exempt from registration and qualification under the registration, permit, or qualification requirements of all applicable state securities laws.

4.7 Use of Proceeds. The Company shall use the proceeds of the sale and issuance of the Notes for the operations of its business and not for any personal, family or household purpose.

5. RISK FACTORS

5.1 Purchaser acknowledges that investment in the Securities involves a high degree of risk, and represents that it has no need for liquidity in connection with its purchase of the Securities and is able, without materially impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment. Purchaser understands that there can be no assurance that the Company will achieve its objective or that the Notes will be repaid or that a Purchaser will receive a return of its capital.

5.2 Purchaser accepts the risks of an investment in the Notes and the Conversion Securities which include, but are not limited to, the risk factors set forth on **EXHIBIT E** hereto.

6. FURTHER AGREEMENTS

6.1 "Market Stand-Off" Agreement. Purchaser agrees that Purchaser shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by Purchaser, including the Conversion Securities during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation), provided that all officers and directors of the Company are bound by and have entered into similar agreements. Purchaser agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to Purchaser's securities until the end of such period. The underwrites of the shares of the Company's stock are intended third party beneficiaries of this Section 6.1 and shall have the right, power and authority to enforce the provisions hereof as thought they were a party hereto. The obligations described in this Section 6.1 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future.

6.2 Indemnification. Purchaser understands that Purchaser may be one of several investors in the Securities and that other investors are entering into agreements in substantially the form and substance of this Agreement and are relying on the accuracy and completeness of Purchaser's representations and warranties in this Agreement and in the Investor Suitability Questionnaire. Purchaser hereby indemnifies and holds harmless the Company and its officers, directors, managers, members, employees and professional advisors from and against any and all loss, damage, liability or expense (including reasonably attorneys' fees) due to or arising out of a breach of any of Purchaser's representations or warranties contained in this Agreement or in the Investor Suitability Questionnaire.

6.3 Privacy Notice FOR INDIVIDUALS ONLY. The Company is committed to protecting Purchaser's privacy and maintaining the confidentiality and security of Purchaser's personal information. The Company will not disclose any personal information it receives from Purchaser unless required by law or to discharge its management duties to the Company, as

applicable. The Company expects to disclose limited information about Purchaser's interest in the Company only as necessary to (i) fulfill its financial or other reporting obligations to the members or stockholders of the Company and (ii) comply with applicable laws, including, but not limited to, laws concerning money laundering and related activities. The Company may also disclose certain of Purchaser's information to the other Purchasers and to the Company's outside service providers, such as lawyers and accountants, but only as permitted by law and as necessary in performing its management duties to the Company. Purchaser hereby consents to the limited scope of disclosure of its personal information as set forth in this paragraph.

6.4 Restrictive Legends. All certificates representing the Conversion Securities shall have endorsed thereon the following or comparable legends:

(a) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

(b) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(s), AS PROVIDED IN THE BYLAWS OF THE CORPORATION AND MAY NOT BE TRANSFERRED WITHOUT THE CONSENT OF THE CORPORATION, AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

(c) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A STOCKHOLDERS' AGREEMENT WHICH PLACES CERTAIN RESTRICTIONS ON THE TRANSFER AND VOTING OF THE SHARES REPRESENTED HEREBY. ANY PERSON ACCEPTING ANY INTEREST IN SUCH SHARES SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SUCH AGREEMENT. A COPY OF SUCH AGREEMENT WILL BE FURNISHED TO THE RECORD HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS."

(d) Any legend required under applicable state securities laws.

7. MISCELLANEOUS

7.1 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

7.2 Survival of Purchaser Representations. All agreements, representations and warranties contained herein or made in writing by or on behalf of Purchaser in connection with the transactions contemplated by this Agreement shall survive the execution of this Agreement, any

investigation at any time made by the Company and the sale and purchase of the Notes and payment therefor.

7.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Colorado as applied to agreements among Colorado residents, made and to be performed entirely within the State of Colorado, without giving effect to conflicts of laws principles.

7.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Either or all parties may execute this Agreement by facsimile signature or scanned signature in PDF form, and any such facsimile signature or scanned signature, if identified, legible and complete, shall be deemed an original signature and each of the parties is hereby authorized to rely thereon.

7.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

7.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company or to Purchaser at the addresses set forth on the signature page below or at such other addresses as the Company or Purchaser may designate by 10 days advance written notice to the other parties hereto.

7.7 Modification; Waiver.

(a) All actions, omissions and decisions of the Purchasers hereunder or under the Note, including, without limitation: (i) any amendment, modification or waiver of any provision of this Agreement or the Notes or consent to departure therefrom; (ii) making a payment demand; or (iii) converting the outstanding Notes into membership interests or capital stock of the Company pursuant to Section 3 of the Notes (each called herein, an "***Act of the Holders***") shall be determined by and require the written consent of the Required Holders. For purposes of this Agreements and the Notes, "***Required Holders***" means any Purchaser or Purchasers (or their respective successors or assigns) holding at least a majority of the outstanding and unpaid principal amount owing under all Notes then outstanding. Any provision of the Notes may be amended or waived by the written consent of the Company and the Required Holders.

(b) Purchaser agrees to abide by the decisions of the Required Holders and shall take such actions and execute such documents as may be necessary to confirm or accomplish any Act of the Holders.

7.8 Expenses. The Company and each Purchaser shall each bear its respective expenses and legal fees incurred with respect to this Agreement and the transactions contemplated herein**.**

7.9 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to each Purchaser, upon any breach or default of the Company under the Loan Documents shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by Purchaser of any breach or default under this Agreement, or any waiver by any Purchaser of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Agreement, or by law or otherwise afforded to the Purchaser, shall be cumulative and not alternative.

7.10 Further Assurances. Purchaser agrees and covenants that at any time and from time to time it will promptly execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require in order to carry out the full intent and purpose of this Agreement and to comply with state or federal securities laws or other regulatory approvals.

7.11 Entire Agreement. This Agreement and the Exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

7.12 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

7.13 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

7.14 Broker's Fees. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation made by the indemnifying party in this Section 7(m) being untrue.

7.15 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO CONVERTIBLE NOTE SUBSCRIPTION AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Convertible Promissory Note Subscription Agreement as of the date of acceptance and with respect to the "Loan Amount" set forth below.

PURCHASER

LOAN AMOUNT: $_____

Date: _____

For Corporate, Partnership, Trust, Employee Benefit Plan, IRA, or Other Entity Investor:

_____
(Print Name of Entity)

By: _____
(Signature)

Title: _____

Address: _____

_____

Phone: _____

Email: _____

For Individual or Joint Investors:

_____
(Print Name of Investor)

By: _____
(Signature)

Address: _____

_____

Phone: _____

Email: _____

If joint, please have joint investor sign below:

_____
(Signature)

Name: _____

COMPANY:

TEKDRY INTERNATIONAL, INC.

DATE OF ACCEPTANCE: _____

By: _____
Name: Adam Cookson
Title: CEO

Address:

16525 Trinity Loop
Broomfield, CO 80023

SCHEDULE OF PURCHASERS

	Name	Loan Amount
1.	MICHAEL WEAVER	$ 30,000.00
2.	ROBERT BULL	$ 40,000.00
3.	MARSHAL TAYLOR	$ 25,000.00
4.	GARY HELD	$ 20,000.00
5.	BILL MARCOUX	$ 50,000.00
6.	BJG CAPITAL LLC	$ 50,000.00
7.	ADAIR PRALL	$ 50,000.00
8.	JOHN AND CHRISTINA NEWCOMB	$ 25,000.00
9.	KENTON EPARD	$ 100,000.00
10.	JAMIE TURNER	$ 50,000.00
11.	COHORT CAPITAL	$ 25,000.00
12.	JASON PFAFF	$ 50,000.00
13.	LANOHA VENTURES, LLC	$ 50,000.00
14.	DENNIS BRUNSTING	$ 225,000.00
15.		
16.		
17.		
18.		
19.		
20.		
21.		
		$ 790,000.00

EXHIBIT A

FORM OF CONVERTIBLE PROMISSORY NOTE

THIS CONVERTIBLE PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE OR DISPOSITION MAY BE MADE EXCEPT IN COMPLIANCE WITH RULE 144 UNDER SAID ACT OR AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

CONVERTIBLE PROMISSORY NOTE

$[*investment amount*] _____ 2015
Denver, CO

For value received, **TEKDRY INTERNATIONAL, INC.** a Delaware corporation (the "***Company***"), promises to pay to [*investor name*] or his assigns ("***Holder***") the principal sum of $[*investment amount*] together with accrued and unpaid interest thereon, each due and payable on the date and in the manner set forth below. This Note is one of a series of similar Notes referred to in and is executed and delivered in connection with that certain Convertible Promissory Note Subscription Agreement (the "***Agreement***") dated as of _____, 2015. Capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. Repayment. All payments of interest and principal shall be in lawful money of the United States of America. All payments shall be applied first to accrued interest, and thereafter to principal. The outstanding principal amount of the Loan shall be due and payable on the two-year anniversary of this Note (the "***Maturity Date***").

2. Interest Rate. The Company promises to pay simple interest on the outstanding principal amount hereof from the date hereof until payment in full, which interest shall be payable at the rate of six percent (6.0%) per annum or the maximum rate permissible by law, whichever is less. Interest shall be due and payable on the Maturity Date and shall be calculated on the basis of a 365-day year for the actual number of days elapsed.

3. Conversion; Repayment upon Sale of the Company.

(a) In the event that the Company issues and sells shares of its Equity Securities (as defined below) to investors (the "***Investors***") on or before the date of the repayment in full of this Note in an arms-length equity financing transaction or series of transactions resulting in gross proceeds to the Company of at least $750,000 (excluding the conversion of the Notes and any other debt) (a "***Qualified Financing***"), then the outstanding principal balance of this Note shall automatically convert in whole without any further action by the Holder into such Equity Securities at a conversion price equal to the lesser of (i) 80% of the per share or per unit price paid by the Investors or (ii) a price per share or per unit equal to the implied price per share or unit that would have resulted had the Qualified Financing been priced on the basis of a pre-money valuation of Four Million Eight Hundred Thousand Dollars ($4,800,000). At the option of the Holder, the Holder will receive all of the benefits afforded to the Investors in the Qualified Financing. Any unpaid accrued interest on this Note shall be converted into Equity Securities on the same terms as

the principal of this Note. In the event a Qualified Financing is not consummated prior to the Maturity Date, then, at the written election of the Holder made at least five days prior to the Maturity Date, effective upon the Maturity Date, the outstanding principal balance and any unpaid accrued interest under this Note shall be converted into shares of Common Stock of the Company at a conversion price equal to the quotient of Four Million Eight Hundred Thousand Dollars ($4,800,000) divided by the aggregate number of outstanding shares of the Company's Common Stock as of the Maturity Date (assuming full conversion or exercise of all convertible and exercisable securities then outstanding other than the Notes).

(b) If the conversion of the Note would result in the issuance of a fractional share or unit, the Company shall, in lieu of issuance of any fractional share or unit, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then current fair market value of one share or unit of the class and series of capital stock or units into which this Note has converted by such fraction.

(c) Notwithstanding any provision of this Note to the contrary, if the Company consummates a Sale of the Company (as defined below) prior to the conversion or repayment in full of this Note, then (i) the Company will give the Holder at least five days prior written notice of the anticipated closing date of such Sale of the Company and (ii) at the closing of such Sale of the Company, in full satisfaction of the Company's obligations under this Note, the Company will pay the Holder an aggregate amount equal to the greater of (x) the aggregate amount of principal and interest then outstanding under this Note or (y) the amount the Holder would have been entitled to receive in connection with such Sale of the Company if the aggregate amount of principal and interest then outstanding under this Note had been converted into Common Units (or shares of Common Stock of the Company) pursuant to Section 3(b) immediately prior to the closing of such Sale of the Company.

(d) For purposes of this Note:

(i) "***Equity Securities***" shall mean the Company's capital stock or any securities conferring the right to purchase the Company's capital stock or securities convertible into, or exchangeable for (with or without additional consideration), the Company's capital stock, except that such defined term shall not include any security granted, issued and/or sold by the Company to any employee, director or consultant in such capacity.

(ii) "***Sale of the Company***" shall mean (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; *provided, however*, that a Sale of the Company shall not include any transaction or series of transactions principally for

bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

4. Maturity. Unless this Note has been previously converted in accordance with the terms of Sections 3(a) and 3(b) above or satisfied in accordance with the terms of Section 3(c) above, the entire outstanding principal balance and all unpaid accrued interest shall become fully due and payable on the Maturity Date.

5. Expenses. In the event of any default hereunder, the Company shall pay all reasonable attorneys' fees and court costs incurred by Holder in enforcing and collecting this Note.

6. Prepayment. The Company may not prepay the Notes prior to the Maturity Date without the consent of Holders whose aggregate principal amount of Notes represents a majority of the outstanding principal amount of all then-outstanding Notes (the "***Requisite Holders***").

7. Default. If there shall be any Event of Default hereunder, at the option and upon the declaration of the Requisite Holders and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Section 7(c) or 7(d)), this Note shall accelerate and all principal and unpaid accrued interest shall become due and payable. The occurrence of any one or more of the following shall constitute an Event of Default:

(a) The Company fails to pay timely any of the principal amount due under the Note on the date the same becomes due and payable or any accrued interest or other amounts due under this Note on the date the same becomes due and payable;

(b) The Company shall default in its performance of any covenant under the Agreement or any Note;

(c) The Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or

(d) An involuntary petition is filed against the Company (unless such petition is dismissed or discharged within 60 days under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company.

8. Waiver. The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

9. Governing Law. This Note shall be governed by and construed under the laws of the State of Colorado, as applied to agreements among Colorado residents, made and to be performed entirely within the State of Colorado, without giving effect to conflicts of laws principles.

10. Modification; Waiver. Any term of this Note may be amended or waived, together with all similar Notes purchased pursuant to the Agreement with the written consent of the Company and the Requisite Holders.

11. Assignment. This Note may be transferred only upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company's obligation to pay such interest and principal.

[*Signature page follows*]

[*Signature page to Convertible Promissory Note*]

TEKDRY INTERNATIONAL, INC.

By:_____
Name: Adam Cookson
Title: Chief Executive Officer

HOLDER: [_____]

PRINCIPAL AMOUNT OF NOTE: $_____

DATE OF NOTE: _____ __, 2015

MATURITY DATE: _____ __, 2017

EXHIBIT B

INVESTOR SUITABILITY QUESTIONNAIRE

INVESTOR SUITABILITY QUESTIONNAIRE

The undersigned acknowledges and understands that: (i) **TEKDRY INTERNATIONAL, INC.**, a Delaware corporation (the "***Company***") will rely on the information provided by the undersigned herein for purposes of determining compliance with and the availability of exemptions, provided under Section 4(2) of the Securities Act of 1933, as amended (the "***Securities Act***"), and Regulation D promulgated thereunder ("***Regulation D***"), from the registration requirements of the Securities Act and (ii) the issuance of the Company's Convertible Promissory Notes (the "***Securities***") will not be registered under the Securities Act in reliance upon such exemptions.

All information provided by the undersigned is furnished for the purposes described above and will be held in confidence by the Company, except that this Questionnaire or the information provided herein or both may be furnished to such other parties as the Company deems necessary or desirable to establish compliance with federal or state securities laws.

PART I
INVESTOR INFORMATION
TO BE COMPLETED BY EVERY INVESTOR

A. TITLE TO INVESTOR UNITS

The Shares will be held under the following type of ownership (*Please check the applicable box*):

Non-Custodial Ownership:
- ☐ Individual
- ☐ Community Property
- ☐ Joint Tenants with Right of Survivorship
- ☐ Tenants in Common (all sign)
- ☐ Trust_____
  For the Benefit of _____
- ☐ Corporation
- ☐ S Corporation
- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Other _____

Custodial Ownership:
- ☐ IRA
- ☐ KEOGH Plan
- ☐ Pension of Profit Sharing Plan
- ☐ Other _____

Custodian Information:

Name _____
Custodian Tax ID _____
Custodian Acct. No. _____

B. SUBSCRIBER INFORMATION

1. **FOR INDIVIDUALS:**

Name: _____
Social Security Number**:** _____
Home Address: _____
_____
_____
Home Phone: _____
Home Fax: _____

Business Address: _____
_____
_____
Business Phone: _____
Business Fax: _____
Cell: _____
Email: _____

2. **FOR CORPORATIONS, PARTNERSHIPS, TRUSTS, AND OTHER ENTITY INVESTORS (OTHER THAN EMPLOYEE BENEFIT PLANS AND IRAs):**

Name: _____
State of Incorporation or Formation**:** _____
Date of Incorporation or Formation: _____
EIN: _____
Name and Business Address of Trustee: _____
_____
_____

Contact: _____

Business Address: _____
_____
_____
Business Phone: _____
Business Fax: _____
Contact Cell: _____
Email: _____

3. **FOR EMPLOYEE BENEFIT PLANS**

Name of Plan: _____
Type of Plan**:** _____
Name of Sponsor**:** _____
EIN of Sponsor: _____
Name and Business Address of Trustee: _____
_____
_____

Contact: _____

Business Address of Sponsor: _____
_____
_____
Business Phone of Sponsor: _____
Business Fax of Sponsor: _____
Email: _____

4. **FOR IRAs**

Name of IRA Owner: _____
_____
Social Security No**:** _____
IRA Account Number: _____
Name and Business Address of Custodian: _____
_____
_____

Address of Owner: _____
_____
_____
Phone of Owner: _____
Fax of Owner: _____
Email of Owner: _____

C. ADDITIONAL CONTACT INFORMATION (Optional)

Primary Contact:
Name: _____
Company**:** _____
Address: _____
_____
Phone: _____
Fax: _____
Email: _____

Additional Contact:
Name: _____
Company**:** _____
Address: _____
_____
Phone: _____
Fax: _____
Email: _____

D. PURCHASER REPRESENTATIVE INFORMATION (If Applicable)

Primary Contact:
Name: _____
Company**:** _____
Address: _____
_____
Phone: _____
Fax: _____
Email: _____

E. TAX REPORTING DOCUMENTS/K-1'S

☐ Send Subscriber K-1 to the address listed under Section D.
☐ Send my K-1 to the address listed below:

Name: _____
Company**:** _____
Address: _____
_____
Phone: _____
Fax: _____
Email: _____

F. SUBSCRIBER BACKGROUND INFORMATION

1. Relationship with the Company. Describe any preexisting business or personal relationship between the prospective investor and any founder or manager of the Company.

_____
_____
_____

PART II
INDIVIDUAL INVESTOR INFORMATION
TO BE COMPLETED ONLY BY INVESTORS
WHO ARE INDIVIDUALS

G. ACCREDITED INVESTOR QUALIFICATION. Please check the categories applicable to you (or you and your spouse) indicating the basis upon which you qualify as an Accredited Investor for purposes of the Securities Act and Regulation D thereunder.

1. ☐ **INDIVIDUAL WITH NET WORTH IN EXCESS OF $1.0 MILLION**. I certify that I have an individual net worth or joint net worth with my spouse in excess of $1,000,000. (Explanation: In calculating net worth, you may include your equity in personal property and real estate, including your cash, short-term investments, stock and securities, but excluding your primary residence.[1])

2. ☐ **INDIVIDUAL WITH MORE THAN $200,000 INDIVIDUAL ANNUAL INCOME**. I certify that I have had an individual adjusted gross income of more than $200,000 in each of the two most recent calendar years, and I have a reasonable expectation of reaching the same income level in the current year.[2]

3. ☐ **INDIVIDUALS WITH MORE THAN $300,000 JOINT ANNUAL INCOME**. I certify that I have had a joint adjusted gross income with my spouse of more than $300,000 in each of the two most recent calendar years, and I have a reasonable expectation of reaching the same income level in the current year.

4. ☐ **EXECUTIVE OFFICER OF DIRECTOR**. I certify that I am an executive officer, director, manager or general partner of the Company.

[1] For purposes of determining "net worth": (i) the value of the individual's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the residence at the time of the sale of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

[2] "Individual annual adjusted gross income" means "adjusted gross income," as reported for Federal income tax purposes, less any income attributable to a spouse or property owned by a spouse (unless that spouse is a co-purchaser) and increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse unless that spouse is a co-purchaser): (i) the amount of any tax-exempt interest income received; (ii) the amount of losses claimed as a limited partner in a limited partnership; (iii) any deduction claimed for depletion, (v) deductions for alimony paid; and (iv) deductible amounts contributed to an IRA or Keogh retirement plan.

5. Individual Investor Information**.** If the Investor is a natural person, please provide the following information. (*NOTE: If more than one individual Investor, each Investor must complete a separate Investor Questionnaire).*

6. I am registered to vote in the following state: _____

7. I hold a valid driver's license in the following state: _____

8. I filed my personal income tax return in the following state: _____

9. I am a United States citizen: ☐ Yes ☐ No

10. My educational background is:

---

11. I have the following professional licenses or registrations (including bar admissions, accounting certification, real estate licenses and SEC or State broker dealer licenses):

---

12. I have previously made investments in the following:

Public company stocks and bonds	☐	Commodities	☐
Private company stocks and bonds	☐	Stock options	☐
U.S Treasury securities	☐	Mutual funds	☐
Real estate	☐	Hedge funds	☐
Oil and gas investments	☐	Venture capital	☐

PART III
ENTITY INVESTOR INFORMATION
TO BE COMPLETED ONLY BY INVESTORS WHO ARE
CORPORATIONS AND OTHER ENTITIES

H. ORGANIZATION INFORMATION

1. Type of organization: Corporation ☐ Partnership ☐ Limited Liability Company ☐

   Trust ☐ Nonprofit ☐ Other ☐ Describe: _____

2. Date and State of Organization: _____

3. Sate where principal executive office is located: _____

I. ACCREDITED INVESTOR QUALIFICATION. Please check the categories applicable to you indicating the basis upon which you qualify as an Accredited Investor for purposes of the Securities Act and Regulation D thereunder.

1. ☐ **CORPORATION, PARTNERSHIP OR LLC**. I certify that the corporation, partnership, limited liability company, Massachusetts or similar business trust, on behalf of which I am completing this Questionnaire has total assets in excess of $5 million and was not formed for the specific purpose of acquiring securities offered by the Company.

2. ☐ **OTHER INSTITUTIONAL INVESTOR (check one)**. I certify that the entity on behalf of which I am completing this Questionnaire is:

   a. ☐ A bank, as defined in Section 3(a)(2) of the Securities Act (whether acting for its own account or in a fiduciary capacity);

   b. ☐ A savings and loan association or similar institution, as defined in Section 3(a)(5)(A) of the Act (whether acting for its own account or in a fiduciary capacity);

   c. ☐ A broker or dealer registered under the Securities Exchange Act of 1934;

   d. ☐ An insurance company, as defined in Section 2(13) of the Act;

   e. ☐ A "business development company," as defined in Section 2(a)(48) of the Investment Company Act of 1940 ;

   f. ☐ A small business investment company licensed under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended; or

   g. ☐ A private business development company" as defined in Section 202(a) (22) of the Investment Advisers Act of 1940, as amended.

   h. ☐ **REVOCABLE TRUST**. I certify that the trust on behalf of which I am completing this Questionnaire is revocable by its grantors and all of the grantors are accredited investors. (*Note: If this box is checked, please also check the Individual Investor category or categories in*

Part III under which each grantor qualifies as an accredited investor.)

3. ☐ **IRREVOCABLE TRUST (OTHER THAN ERISA PLAN).** I certify that the trust on behalf of which I am completing this Questionnaire is a trust with total assets in excess of $5,000,000, was not formed for the specific purpose of acquiring the securities offered by the Company, and its investment decisions are directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in the Company.

4. ☐ **IRA OR SIMILAR BENEFIT PLAN**. I certify that the individual retirement account (IRA), Keogh or similar benefit plan on behalf of which I am completing this Questionnaire covers a natural person who is an "accredited investor." (*Note: If this box is checked, the individual participant must also complete the Individual Investor Part III above.)*

5. ☐ **PARTICIPANT DIRECTED EMPLOYEE BENEFIT PLAN ACCOUNT**. I certify that the participant-directed employee benefit plan on behalf of which I am completing this Questionnaire is investing at the direction of, and for the account of, a participant who is an Accredited Investor. (*Note: If this box is checked, please also check the additional category or categories in Part III under which each grantor qualifies as an accredited investor.)*

6. ☐ **OTHER ERISA PLAN**. I certify that the employee benefit plan on behalf of which I am completing this Questionnaire is a plan within the meaning of Title I of the ERISA Act (other than a participant-directed plan) with total assets in excess of $5 million or for which investment decisions (including the decision to purchase securities of the Company) are made by a bank, registered investment adviser, savings and loan association, or insurance company.

7. ☐ **GOVERNMENT BENEFIT PLAN**. I certify that the plan on behalf of which I am completing this Questionnaire is a plan established and maintained by a state, municipality, or an agency of a state or municipality, for the benefit of its employees, with total assets in excess of $5 million.

8. ☐ **NON-PROFIT ENTITY**. I certify that the non-profit entity on behalf of which I am completing this Questionnaire is an organization described in Section 501(c)(3) of the Internal Revenue Code, as amended, with total assets in excess of $5 million (including endowment, annuity and life income funds), as shown by the organization's most recent audited financial statements.

9. ☐ **ENTITY OWNED ENTIRELY BY ACCREDITED INVESTORS**. I certify that the corporation, partnership private investment company or similar entity on behalf of which I am completing this Questionnaire is owned entirely by accredited investors. (*Note: If this box is checked, please also check the additional category or categories in Part III under which each individual natural person owner qualifies as an accredited investor and list all equity owners of the entity below.)*

_____

_____

PART IV
SIGNATURE PAGE TO BE COMPLETED
BY ALL INVESTORS

J. REPRESENTATIONS AND WARRANTIES. The undersigned understands and acknowledges that the Company will be relying on the accuracy and completeness of the information provided by the prospective investor in this Investor Suitability Questionnaire and the undersigned represents and warrants to the Company as follows:

1. The information is complete and correct and may be relied upon by the Company in determining whether the offer and sale of Securities in this offering in which the undersigned proposes to participate is exempt from the registration requirements of the Securities Act;

2. The undersigned will notify the Company immediately of any material change in any information provided by the prospective investor in this Investor Suitability Questionnaire occurring prior to the completion of the offering of the Securities; and

3. The undersigned has adequate means of providing for the undersigned's current needs and personal contingencies, has no need for liquidity in its investment in the Securities, and is able to bear the economic risk of an investment in the Securities of the size contemplated by the prospective investor. In making this statement, the undersigned represents that at the present time the undersigned has sufficient means to provide for its needs in the event of a complete loss of such investment.

K. EXECUTION

IN WITNESS WHEREOF, the undersigned prospective investor has executed this Investor Suitability Questionnaire as of the date set forth below.

Date: _____

INDIVIDUALS:

_____
[Print Name]

_____
[Signature]

_____
[Print Name of joint investor]

_____
[Signature of Joint Investor]

ENTITIES:

_____
[Print Name of Entity]

_____
[Print Name and Title of Authorized Signatory]

_____
[Signature of Authorized Signatory]

EXHIBIT C

SCHEDULE OF EXCEPTIONS

1. **MANAGEMENT.** The board of directors of the Company consists of Adam Cookson, Craig Beinecke and Dennis Schouten. It is expected that during 2016, a search will be conducted for suitable director candidates for the board (potentially external and/or independent) in order to broaden and deepen the board's utility to the Company. Upon completion of the search and identification of candidates, one or more board members may be replaced or the size of the board may be expanded. Under the terms of the Loan Agreement (defined below), Mr. Schouten may not be removed as a director until such time as the Loan and Royalty (defined below) have been paid in full.

2. **OFFICERS.** In connection with the Loan described below, Dennis Schouten, the manager of the Lender, has been elected to the Company's board of directors and appointed as the Company's chief financial officer and treasurer. Acumen Financial Counsel Ltd., a Colorado limited liability company controlled by Mr. Schouten has been hired by the Company to provide the services of Mr. Schouten and has received a three-year warrant to purchase approximately 327,331 shares of Common Stock at a purchase price of $0.71 per share, or $232,000.

3. **SECURED LOAN.** In order to execute the Company's strategy of rapidly expanding into 82 Staples locations and to comply with the requirements of the Staples contract, the Company and Hawkeye Ventures, Ltd ("***Lender***") entered into a Loan, Security, Royalty and Stock Agreement dated as of October 9, 2015 (the "***Loan Agreement***") whereby Lender has made a loan to the Company in the amount of $570,000 (the "***Loan***") to pay the costs associated with manufacturing drying machines for the Company's Staples contract. The Loan bears interest at 13% per year, is due on August 14, 2018, is secured by all the assets of the Company and requires monthly payments of interest only until September 14, 2016 when it becomes fully amortizing. The Loan has been personally guaranteed by each Founder who have also secured the Loan by a trust deed on their respective personal residences and the Company has purchased key man insurance on the life of each Founder in an amount sufficient to repay the Loan. The Company believes that utilizing the Loan to finance the equipment manufacturing was more efficient and less dilutive to the Company's stockholders than raising equity for this purpose.

4. **LENDER WARRANT.** As additional consideration for the Loan, the Company has issued the Lender a seven-year warrant to purchase Common Stock of the Company at $0.01 per share, representing a 5.14% post-closing ownership stake in the Company on a fully diluted basis. The warrant or the shares of Common Stock purchased upon exercise of the warrant are subject to redemption by the Company on or after the fifth anniversary and before the seventh anniversary of the warrant issue date at the fair market value of the Company's common stock as determined in accordance with the Loan Agreement.

5. **ROYALTY.** As additional consideration for the risks to Lender in providing the Loan, the Company has agreed to make royalty payments to Lender based on the Company's gross revenue for the four-year period commencing January 1, 2017 at a declining rate from 2% to 0.50% (the "***Royalty***"). If the Company fails to make certain minimum annual payments, Lender is entitled to receive an additional 1% warrant on the same basis as the Lender warrant described above. The Royalty period may be extended up to an additional three years as necessary until Lender has received a minimum Royalty payment of $4,368,474. Any unpaid minimum Royalty due on March 16, 2024 shall accrue interest and be secured by all of the Company's assets on the same terms as the Loan.

EXHIBIT D

CHARTER DOCUMENTS

(CERTIFICATE OF INCORPORATION AND BYLAWS)

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF CERTIFICATE OF INCORPORATION OF "TEKDRY INTERNATIONAL, INC." FILED IN THIS OFFICE ON THE TWENTY-THIRD DAY OF FEBRUARY, A.D. 2015, AT 12:28 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State

5697581 8100V

150240632

AUTHENTICATION: 2141606

DATE: 02-23-15

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:03 PM 02/23/2015
FILED 12:28 PM 02/23/2015
SRV 150240632 - 5697581 FILE

CERTIFICATE OF INCORPORATION

OF

TEKDRY INTERNATIONAL, INC.

ARTICLE I.

The name of the corporation is "**TEKDRY INTERNATIONAL, INC.**" (the "***Corporation***").

ARTICLE II.

The Corporation's registered office in the State of Delaware is located at 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III.

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware ("***DGCL***").

ARTICLE IV.

4.1 **AUTHORIZED CAPITAL.** The total number of shares of all classes of stock that the Corporation is authorized to issue is 10,000,000 shares, consisting of: (i) 8,000,000 shares of common stock, par value $0.001 per share, (the "***Common Stock***"); and (ii) 2,000,000 shares of preferred stock, par value $0.001 per share ("the "***Preferred Stock***").

4.2 **COMMON STOCK.**

(a) General. Each share of Common Stock shall have identical rights and privileges in every respect. The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof.

(b) Voting. Each registered holder of Common Stock shall be entitled to one vote for each share of such Common Stock held by such holder on each matter properly submitted to the stockholders of the Corporation for their vote; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any Preferred Stock Designation) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Certificate of Incorporation (including any Preferred Stock Designation). There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of stock of the Corporation representing a majority of the votes represented by all outstanding shares of stock of

the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL. Except as required by law and subject to the rights of the holders of any series of Preferred Stock,; (i) Holders of Common Stock shall be entitled to elect directors of the Corporation; and (ii) Holders of Common Stock shall be entitled to vote on all other matters properly submitted to a vote of stockholders of the Corporation.

(c) Dividends. Subject to the prior rights and preferences, if any, applicable to shares of the Preferred Stock or any series thereof, the holders of shares of the Common Stock shall be entitled to receive ratably such dividends (payable in cash, stock or otherwise), if any, as may be declared thereon by the Board at any time and from time to time out of any funds of the Corporation legally available therefor.

(d) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after distribution in full of the preferential amounts, if any, to be distributed to the holders of shares of the Preferred Stock or any class or series thereof, the holders of shares of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of the Common Stock held by them. A liquidation, dissolution or winding-up of the Corporation, as such terms are used in this Article 4.2(d) shall not be deemed to be occasioned by or to include any consolidation or merger of the Corporation with or into any other corporation or corporations or other entity or a sale, lease, exchange or conveyance of all or a part of the assets of the Corporation.

4.3 **PREFERRED STOCK.**

(a) Issuance and Reissuance. The Preferred Stock may be issued from time to time in one or more classes or series, the shares of each class or series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein and in the resolution or resolutions providing for the issuance of such series adopted by the board of directors of the Corporation (the "***Board***") as hereinafter provided (a "***Preferred Stock Designation***").

(b) Blank Check Preferred. Subject to any vote expressly required by this Certificate of Incorporation, authority is hereby expressly granted to the Board from time to time to authorize the issuance of the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including, but not limited to, the following:

(i) whether or not the class or series is to have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(ii) the number of shares to constitute the class or series and the designations thereof;

(iii) the preferences, and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, with

respect to any class or series;

(iv) whether or not the shares of any class or series shall be redeemable at the option of the Corporation or the holders thereof or upon the happening of any specified event, and, if redeemable, the redemption price or prices (which may be payable in the form of cash, notes, securities or other property), and the time or times at which, and the terms and conditions upon which, such shares shall be redeemable and the manner of redemption;

(v) whether or not the shares of a class or series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and, if such retirement or sinking fund or funds are to be established, the annual amount thereof, and the terms and provisions relative to the operation thereof;

(vi) the dividend rate, whether dividends are payable in cash, stock of the Corporation or other property, the conditions upon which and the times when such dividends are payable, the preference to or the relation to the payment of dividends payable on any other class or classes or series of stock, whether or not such dividends shall be cumulative or noncumulative, and if cumulative, the date or dates from which such dividends shall accumulate;

(vii) the preferences, if any, and the amounts thereof which the holders of any class or series thereof shall be entitled to receive upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Corporation;

(viii) whether or not the shares of any class or series, at the option of the Corporation or the holder thereof or upon the happening of any specified event, shall be convertible into or exchangeable for, the shares of any other class or classes or of any other series of the same or any other class or classes of stock, securities or other property of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions; and

(ix) such other special rights and protective provisions with respect to any class or series as the Board may determine are advisable.

(c) Number of Shares. The shares of each class or series of the Preferred Stock may vary from the shares of any other class or series thereof in any or all of the foregoing respects. The Board may increase the number of shares of the Preferred Stock designated for any existing class or series by a resolution adding to such class or series authorized and unissued shares of the Preferred Stock not designated for any other class or series. The Board may decrease the number of shares of the Preferred Stock designated for any existing class or series by a resolution subtracting from such class or series authorized and unissued shares of the Preferred Stock designated for such existing class or series, and the shares so subtracted shall become authorized, unissued, and undesignated shares of the Preferred Stock.

ARTICLE V.

5.1 The management of the business and the conduct of the affairs of the Corporation shall be vested in its board of directors ("***Board***"). The number of directors which shall constitute the whole Board shall be fixed in the manner set forth in the bylaws of the Corporation ("***Bylaws***"), subject to any restrictions set forth in this Certificate of Incorporation.

5.2 Any vacancy in the Board occurring because of the death, resignation or removal of a director shall be filled by the vote or written consent of the holders of a majority of the outstanding shares entitled to elect such director.

5.3 The Board is expressly authorized to adopt, amend or repeal any or all of the Bylaws without any action on the part of the stockholders. The stockholders shall also have power to adopt, amend or repeal the Bylaws; provided, however, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by this Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

5.4 The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

ARTICLE VI.

No stockholder of the Corporation shall have a right to purchase shares of capital stock of the Corporation sold or issued by the Corporation except to the extent that such a right may from time to time be set forth in a written agreement between the Corporation and any stockholder.

ARTICLE VII.

7.1 The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by the provisions of the DGCL, as such may be amended and supplemented.

7.2 The Corporation shall have the authority to indemnify and hold harmless, to the fullest extent permitted by the DGCL or any other applicable law, as the same exists or may hereafter be amended, any officer, director, employee or agent of the Corporation and all other persons whom it shall have power to indemnify (an "***Indemnitee***") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "***Proceeding***") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee in connection with any such Proceeding.

7.3 No amendment, modification or repeal of this Article VII, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurred, or any cause of action, suit or claim accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, modification, repeal or adoption of an inconsistent provision.

ARTICLE VIII.

The Corporation reserves the right to amend, alter, change or repeal any provisions contained in this Certificate of Incorporation in the manner now or hereafter prescribed herein and by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation.

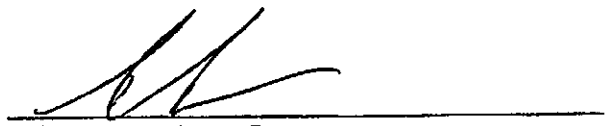
ARTICLE IX.

The name and mailing address of the incorporator are as follows:

Adam Cookson
1331 W 121st Ave.
Westminster, CO 80234

*****

I, the undersigned, as the incorporator of the Corporation, signed this Certificate of Incorporation on February 19, 2015.



Adam R. Cookson, Incorporator

TO BE FILED

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
TEKDRY INTERNATIONAL, INC.

TekDry International, Inc., a corporation organized and existing under the laws of the State of Delaware (the "***Corporation***"), hereby certifies:

FIRST: The original certificate of incorporation of the Corporation (the "***Certificate***") was filed with the Secretary of State of the State of Delaware on February 23, 2015 and has not been amended.

SECOND: The board of directors of the Corporation adopted resolutions approving and declaring advisable the following amendments to the Certificate:

A. ARTICLE V of the Certificate is hereby amended to add a new Section 5.5 as follows:

5.5 Designated Director. Notwithstanding anything to the contrary in **Section 4.2(b)** or this **Article V**, during the Lender Designated Director Period (as defined below), the following provision related to the board of directors shall apply; provided, however, that such provision shall be of no further force and effect, and references in this Certificate to **Section 5.5** shall be of no further force and effect, following the completion of the Lender Designated Director Period.

(a) For a period beginning on the Effective Date, as such term is defined in that certain Loan, Security Royalty, and Stock Agreement, dated as of October 9, 2015, by and among the Corporation, Hawkeye Ventures, Ltd., a Colorado limited liability company ("Lender") and Adam Cookson and Craig Beinecke as guarantors (the "Loan Agreement"), and ending immediately following the date that the Loan and Total Minimum Royalty Payment as defined in the Loan Agreement) have been paid in full (the "Lender Designated Director Period"), the board of directors shall include one (1) director designated by Lender, which director shall initially be Dennis J. Schouten, the Manager of Lender.

(b) Notwithstanding anything to the contrary in Article VIII, this Article V, Section 5.5 may not be amended during the Lender Designated Director Period without the consent of Lender.

THIRD: The foregoing amendment was duly adopted and approved in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware by the board of directors of the Corporation and by the required consent of the stockholders of the Corporation.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed this 30th day of November, 2015.

TEKDRY INTERNATIONAL, INC.

By: /s/ Adam R. Cookson
Adam R. Cookson
President and Chief Executive Officer

BYLAWS OF

TEKDRY INTERNATIONAL, INC.

Adopted February 23, 2015

TABLE OF CONTENTS

BYLAWS

ARTICLE I — MEETINGS OF STOCKHOLDERS

1.1 Place of Meetings. Meetings of stockholders of **TEKDRY INTERNATIONAL, INC.** (the "***Corporation***") shall be held at any place, within or outside the State of Delaware, determined by the Corporation's board of directors (the "***Board***"). The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "***DGCL***"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

1.2 Annual Meeting. An annual meeting of stockholders shall be held for the election of directors at such date and time as may be designated by resolution of the Board from time to time. Any other proper business may be transacted at the annual meeting. The Corporation shall not be required to hold an annual meeting of stockholders, *provided* that (i) the stockholders are permitted to act by written consent under the Corporation's certificate of incorporation and these bylaws, (ii) the stockholders take action by written consent to elect directors, and (iii) the stockholders unanimously consent to such action or, if such consent is less than unanimous, all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

1.3 Special Meeting. A special meeting of the stockholders may be called at any time by the Board, Chairperson of the Board, Chief Executive Officer or President (in the absence of a Chief Executive Officer) or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If any person(s) other than the Board calls a special meeting, the request shall:

(i) be in writing;

(ii) specify the time of such meeting and the general nature of the business proposed to be transacted; and

(iii) be delivered personally or sent by registered mail or by facsimile transmission to the Chairperson of the Board, the Chief Executive Officer, the President (in the absence of a Chief Executive Officer) or the Secretary of the Corporation.

The officer(s) receiving the request shall cause notice to be promptly given to the stockholders entitled to vote at such meeting, in accordance with these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this **Section 1.3** shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

1.4 Notice of Stockholders' Meeting. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting.

1.5 Quorum. Except as otherwise provided by law, the certificate of incorporation or these bylaws, at each meeting of stockholders the presence in person, by remote communication, if applicable, or by proxy of the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. If, however, such quorum is not present, in person or by remote communication, if applicable, or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person, by remote communication, if applicable, or represented by proxy, shall have the power to adjourn the meeting from time to time, in the manner provided in **Section 1.6**, until a quorum is present or represented. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter.

1.6 Adjourned Meeting; Notice. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

1.7 Conduct of Business. Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by the Chief Executive Officer, or in the absence of the foregoing persons by the President, or in the absence of the foregoing persons by a Vice President, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation, by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the

meeting may appoint any person to act as secretary of the meeting. The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

1.8 Voting. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of **Section 1.10** of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of capital stock held by such stockholder which has voting power upon the matter in question. Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission (as defined in **Section 7.2** of these bylaws), *provided* that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote on the election of directors. Except where otherwise provided by statute or by the certificate of incorporation or these bylaws, where a separate vote by a class or classes or series is required, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

1.9 Stockholder Action by Written Consent without a Meeting. Unless otherwise provided in the certificate of incorporation, any action required by the DGCL to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

An electronic transmission (as defined in **Section 7.2**) consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for

a stockholder or proxy holder, shall be deemed to be written, signed and dated for purposes of this section, *provided* that any such electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and (ii) the date on which such stockholder or proxy holder or authorized person or persons transmitted such electronic transmission.

Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

In the event that the Board shall have instructed the officers of the Corporation to solicit the vote or written consent of the stockholders of the Corporation, an electronic transmission of a stockholder written consent given pursuant to such solicitation may be delivered to the Secretary or the President of the Corporation or to a person designated by the Secretary or the President. The Secretary or the President of the Corporation or a designee of the Secretary or the President shall cause any such written consent by electronic transmission to be reproduced in paper form and inserted into the corporate records.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided in Section 228 of the DGCL. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the DGCL, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

1.10 Record Date for Stockholder Notice; Voting; Giving Consents. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date:

(i) in the case of determination of stockholders entitled to notice of or to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting;

(ii) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board; and

(iii) in the case of determination of stockholders for any other action, shall not be more than 60 days prior to such other action.

If no record date is fixed by the Board:

(i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or, if prior action by the Board is required by law, shall be at the close of business on the day on which the Board adopts the resolution taking such prior action; and

(iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, *provided* that the Board may fix a new record date for the adjourned meeting.

1.11 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

1.12 List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be

open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Corporation's principal place of business. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

ARTICLE II — DIRECTORS

2.1 Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

2.2 Number of Directors. The Board shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of the Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

2.3 Election, Qualification, and Term of Office of Directors. Except as provided in **Section 2.4** of these bylaws, and subject to **Sections 1.2** and **1.9** of these bylaws and the rights of the holders of any series of preferred stock to elect directors under specified circumstances, directors shall be elected at each annual meeting of stockholders. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors. Each director shall hold office until such director's successor is elected and qualified or until such director's earlier death, resignation or removal.

2.4 Resignation and Vacancies. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws:

(i) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(ii) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the Corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole Board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until such director's successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 Place of Meetings; Meetings by Telephone. The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2.6 Conduct of Business. Meetings of the Board shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in the absence of the foregoing persons by a chairperson designated by the Board, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

2.7 Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board and publicized among all directors, either orally or in writing, including by electronic mail or other electronic means.

2.8 Special Meetings; Notice. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the Chief Executive Officer, the President, the Secretary or any two directors.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the purpose of the meeting.

2.9 Quorum; Voting. At all meetings of the Board, a majority of the directors then in office shall constitute a quorum for the transaction of business, *provided* that a quorum shall in no case be less than one-half of the then total authorized number of directors. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of the directors.

2.10 Board Action by Written Consent Without a Meeting. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.11 Fees and Compensation of Directors. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors, including reimbursement for expenses incurred attending meetings of the Board and meetings of a committee of the Board.

2.12 Removal of Directors. Unless otherwise restricted by statute, the certificate of incorporation or these bylaws, any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE III — COMMITTEES

3.1 Committees of Directors. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation.

3.2 Committee Minutes. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

3.3 Meetings and Actions of Committees. Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) **Section 2.5** (Place of Meetings; Meetings by Telephone);

(ii) **Section 2.7** (Regular Meetings);

(iii) **Section 2.8** (Special Meetings; Notice);

(iv) **Section 2.9** (Quorum; Voting);

(v) **Section 2.10** (Board Action by Written Consent without a Meeting); and

(vi) **Section 7.5** (Waiver of Notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(vii) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(viii) special meetings of committees may also be called by resolution of the Board;

(ix) unless otherwise provided by the Board in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business; and

(x) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

3.4 Subcommittees. Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE IV — OFFICERS

4.1 Officers. The officers of the Corporation shall be a President, a Secretary, and either a Chief Financial Officer or a Treasurer. The Corporation may also have, at the discretion of the Board, a Chairperson of the Board, a Vice Chairperson of the Board, a Chief Executive Officer, one or more Vice Presidents, a Chief Financial Officer, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

4.2 Appointment of Officers. The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of **Section 4.3** of these bylaws.

4.3 Subordinate Officers. The Board may appoint, or empower the Chief Executive Officer or, in the absence of a Chief Executive Officer, the President, to appoint, such other subordinate officers and agents as the business of the Corporation may require. Each of such

officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board may from time to time determine, or (if appointed by the Chief Executive Officer or President) as the Chief Executive Officer or President shall determine.

4.4 Removal and Resignation of Officers. Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

4.5 Vacancies in Offices. Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in **Section 4.3**.

4.6 Representation of Shares of Other Corporations. Unless otherwise directed by the Board, the President or any other person authorized by the Board or the President is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

4.7 Authority and Duties of Officers. Except as otherwise provided in these bylaws, the officers of the Corporation shall have such powers and duties in the management of the Corporation as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE V — INDEMNIFICATION

5.1 Indemnification of Directors and Officers in Third Party Proceedings. Subject to the other provisions of this **Article V**, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "***Proceeding***") (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such

person's conduct was unlawful, *provided, however*, that the corporation may modify the extent of such indemnification by individual contracts with its directors and officers. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

5.2 Indemnification of Directors and Officers in Actions by or in the Right of the Corporation. Subject to the other provisions of this **Article V**, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

5.3 Successful Defense. To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in **Section 5.1** or **Section 5.2**, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

5.4 Indemnification of Others. Subject to the other provisions of this **Article V**, the Corporation shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law.

5.5 Advanced Payment of Expenses. Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this **Article V** or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Notwithstanding the foregoing, unless otherwise determined pursuant to **Section 5.8**, no advance shall be made by the Corporation to an officer of the Corporation (except by reason of

the fact that such officer is or was a director of the Corporation, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

5.6 Limitation on Indemnification and Advancement of Expenses. Subject to the requirements in **Section 5.3** and the DGCL, the Corporation shall not be required to provide indemnification or, with respect to clauses (i), (iii) and (iv) below, advance expenses to any person pursuant to this **Article V**:

(i) in connection with any Proceeding (or part thereof) initiated by such person except (a) as otherwise required by law, (b) in specific cases if the Proceeding was authorized by the Board, or (c) as is required to be made under **Section 5.7**;

(ii) in connection with any Proceeding (or part thereof) against such person providing for an accounting or disgorgement of profits pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of any federal, state or local statutory law or common law;

(iii) for amounts for which payment has actually been made to or on behalf of such person under any statute, insurance policy or indemnity provision, except with respect to any excess beyond the amount paid; or

(iv) if prohibited by applicable law.

5.7 Determination; Claim. If a claim for indemnification or advancement of expenses under this **Article V** is not paid in full within 60 days after a written claim therefor has been received by the Corporation, the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such suit, the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or advancement of expenses under applicable law.

5.8 Non-Exclusivity of Rights. The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article V** shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents

respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

5.9 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

5.10 Survival. The rights to indemnification and advancement of expenses conferred by this **Article V** shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

5.11 Effect of Repeal of Modification. Any repeal or modification of this **Article V** shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

5.12 Certain Definitions. For purposes of this **Article V**, references to the "***Corporation***" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this **Article V** with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this **Article V**, references to "***other enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "***serving at the request of the Corporation***" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the Corporation***" as referred to in this **Article V**.

ARTICLE VI — STOCK

6.1 Stock Certificates; Partly Paid Shares. The shares of the Corporation shall be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairperson of the Board or Vice-Chairperson of the Board, or the President or a Vice-President, and by the Treasurer or

an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Corporation shall not have power to issue a certificate in bearer form.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 Special Designation on Certificates. If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; *provided* that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.3 Lost Certificates. Except as provided in this **Section 6.3**, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to agree to indemnify the Corporation in such manner as it shall require or give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 Dividends. The Board, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the Corporation's capital stock, subject to the provisions of the certificate of incorporation.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 Stock Transfer Agreements. The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.6 Registered Stockholders. The Corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

6.7 Transfers. Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and upon the surrender of a certificate or certificates for a like number of shares, properly endorsed.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 Notice of Stockholder Meetings. Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Corporation's records. An affidavit of the Secretary or an Assistant Secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 Notice by Electronic Transmission. Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if:

(i) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent; and

(ii) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(iii) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(iv) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(v) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(vi) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An electronic transmission ("***Electronic Transmission***") means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of Electronic Transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 Notice to Stockholders Sharing an Address. Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any stockholder who fails to object in writing to the Corporation, within 60 days of having been given written notice by the Corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 Notice to Person with Whom Communication is Unlawful. Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken

or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 Waiver of Notice. Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII— RIGHT OF FIRST REFUSAL

8.1 Right of First Refusal. No stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of common stock of the Corporation (excluding shares of common stock issued upon the conversion of preferred stock of the Corporation) or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer which meets the requirements hereinafter set forth in this **Article VIII**.

8.2 Notice of Proposed Transfer. If the stockholder desires to sell or otherwise transfer any of his shares of common stock, then the stockholders shall first give written notice thereof to the Corporation. The notice shall name the proposed transferee and state the number of shares to be transferred, the proposed consideration and all other terms and conditions of the proposed transfer.

8.3 Corporate Option to Purchase. For fifteen (15) days following receipt of such notice pursuant to **Section 8.3** above, the Corporation shall have the option to purchase all or any part of the shares specified in the notice at the price and upon the terms set forth in such notice. In the event the Corporation elects to purchase all the shares, it shall give written notice to the selling stockholder of its election and settlement for said shares shall be made as provided below in **Section 8.8(ii)**.

8.4 Stockholder Option to Purchase. In the event the Corporation does not elect to acquire all of the shares specified in the selling stockholder's notice, the Corporation shall, within fifteen (15) days of receipt of said selling stockholder's notice, give written notice thereof to the stockholders of the Corporation other than the selling stockholder. Said written notice shall state the number of shares that the Corporation has elected to purchase and the number of shares remaining available for purchase (which shall be the same as the number contained in said selling stockholder's notice, less any such shares that the Corporation has elected to purchase). Each of the other stockholders shall have the option to purchase that proportion of the shares available for purchase as the number of shares owned by each of said other stockholders

(calculated on an as-converted basis) bears to the total issued and outstanding shares of the stockholder. A stockholder electing to exercise such option shall, within ten (10) days after receipt of the Corporation's notice, give notice to the Corporation specifying the number of shares such stockholder will purchase. Within such ten (10) day period, each of said other stockholders shall give written notice stating how many additional shares such stockholder will purchase if additional shares are available. Failure to respond in writing to the notice given by the Corporation within such ten (10) day period shall be deemed a waiver of such stockholder's right to acquire its proportionate part of the shares of the selling stockholder. In the event one or more stockholders do not elect to acquire the shares available to them, said shares shall be allocated on a pro rata basis to the stockholders who requested shares in addition to their pro rata allotment.

8.5 Closing of Corporate or Stockholder Purchase. In the event the Corporation and/or stockholders, other than the selling stockholder, elect to acquire any of the shares of the selling stockholder as specified in the selling stockholder's notice, the Corporation shall so notify the selling stockholder and settlement thereof shall be made in cash within thirty (30) days after the Corporation receives said selling stockholder's notice; provided that if the terms of payment set forth in said selling stockholder's notice were other than cash against delivery, the Corporation and/or its other stockholders shall pay for said shares on the same terms and conditions set forth in said selling stockholder's notice.

8.6 Sale by Selling Stockholder. In the event the Corporation and/or its other stockholders do not elect to acquire all of the shares specified in the selling stockholder's notice, said selling stockholder may , within the sixty (60) day period following the expiration of the option rights granted to the Corporation and other stockholders herein, sell elsewhere the shares specified in said selling stockholder's notice which were not acquired by the Corporation and/or its other stockholders, in accordance with the provisions of **Section 8.8(ii)**, provided that said sale shall not be on terms and conditions more favorable to the purchaser than those contained in said selling stockholder's notice. All shares so sold by said selling stockholder shall continue to be subject to the provisions of these bylaws in the same manner as before said transfer.

8.7 Board Approval. In addition to the restrictions set forth above, no stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of common stock of the corporation (excluding shares of common stock issued upon the conversion of preferred stock of the corporation) or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise without the prior consent of the corporation, upon duly authorized action of the Board. Without in any way limiting the basis on which the corporation may elect not to consent to a sale, assignment, pledge or transfer, the Corporation does not at any time intend to consent to any requested sale, assignment, pledge or transfer (i) to individuals, companies or any other form of entity identified by the Company as a potential competitor or considered by the corporation to be unfriendly, or to non-U.S. individuals, companies or other entities, or (ii) if such sale, assignment, pledge or transfer increases the risk of the corporation having a class of security held of record by five hundred or more persons who are not accredited investors, as described in Section 12(g) of the 1934 Act, and Rule 12g5-1 promulgated thereunder, or otherwise requiring the corporation to register any class of securities under the 1934 Act; or (iii) if such sale, assignment, pledge or transfer would result in the loss of any federal or state

securities law exemption relied upon by the corporation in connection with the initial issuance of such shares or the issuance of any other securities; or (iv) if such sale, assignment, pledge or transfer is facilitated in any manner by any public posting, message board, trading portal, internet site, or similar method of communication, including without limitation any trading portal or internet site intended to facilitate secondary transfers of securities; or (v) if such sale, assignment, pledge or transfer is to be effected in a brokered transaction; or (vi) if such sale, assignment, pledge or transfer represents a sale, assignment, pledge or transfer of less than all of the shares then held by the stockholder and its affiliates or is to be made to more than a single transferee. All shares sold, assigned, pledged or transferred with the corporation's consent pursuant to this Section 8.7 shall continue to be subject to the provisions of this Section 8.7 in the same manner as before said sale, assignment, pledge or transfer. Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of these bylaws.

8.8 Permitted Transactions. Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of these bylaws.

(i) A stockholder's transfer of any or all shares held either during such stockholder's lifetime or on death by will or intestacy to such stockholder's immediate family or to any custodian or trustee for the account of such stockholder or such stockholder's immediate family. "Immediate family" as used herein shall mean spouse, lineal descendant, father, mother, brother, or sister of the stockholder making such transfer;

(ii) A stockholder's bona fide pledge or mortgage of any shares with a commercial lending institution, provided that any subsequent transfer of said shares by said institution shall be conducted in the manner set forth in these bylaws;

(iii) A stockholder's transfer of any or all of such stockholder's shares to the Corporation or to any other stockholder or the Corporation;

(iv) A stockholder's transfer of any or all of such stockholder's shares to a person who at the time of such transfer is an officer or director of the Corporation;

(v) A corporate stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification or shares or capital reorganization of the corporate stockholder or pursuant to a sale of all or substantially all of the shares or assets of a corporate stockholder;

(vi) A corporate stockholder's transfer of any or all of its shares to any or all of its stockholders;

(vii) A transfer by a stockholder which is a limited or general partnership to any or all of its partners or former partners; or

(viii) A transfer by a stockholder to a corporation, partnership, limited liability company or other entity owned or controlled by such stockholder or such stockholder's immediate family, as defined above (a "***Controlled Entity***"). Any change of control within a

Controlled Entity shall be deemed a sale of the shares of common stock of the Corporation owned by such Controlled Entity and shall be subject to the provisions of this Article 10 as if it were a new transfer.

In any such case, the transferee, assignee, or other recipient shall receive and hold such shares subject to the provisions of these bylaws, and there shall be no further transfer of such stock except in accord with these bylaws.

8.9 Waiver of Right of First Refusal. The provisions of these bylaws may be waived with respect to any transfer either by the Corporation upon duly authorized action of the Board, or by the stockholders upon the express written consent of the owners of a majority of the voting power of the Corporation (excluding the votes represented by those shares to be transferred by the transferring stockholder). These bylaws may be amended or repealed either by a duly authorized action of the Board or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation.

8.10 Void Transfers. Any sale or transfer, or purported sale or transfer, of securities of the Corporation shall be null and void unless the terms, conditions and provisions of these bylaws are strictly observed and followed.

8.11 Termination of Right of First Refusal. The foregoing right of first refusal shall terminate on either of the following dates, whichever shall first occur:

(i) On December 31, 2024 or

(ii) Upon the date of consummation of the Corporation's first firm commitment underwritten public offering of its common stock registered under the Securities Act of 1933, as amended.

8.12 Legends. The certificates representing shares of stock of the Corporation shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(S), AS PROVIDED IN THE BYLAWS OF THE CORPORATION AND MAY NOT BE TRANSFERRED WITHOUT THE CONSENT OF THE CORPORATION, AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

ARTICLE IX — GENERAL MATTERS

9.1 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

9.2 Seal. The Corporation may adopt a corporate seal, which shall be in such form as may be approved from time to time by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.3 Annual Report. The Corporation shall cause an annual report to be sent to the stockholders of the Corporation to the extent required by applicable law. If and so long as there are fewer than 100 holders of record of the Corporation's shares, the requirement of sending an annual report to the stockholders of the Corporation is expressly waived (to the extent permitted under applicable law).

9.4 Construction; Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE X — AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote. However, the Corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board.

EXHIBIT E

RISK FACTORS

1. **LIMITED HISTORY AND OPERATIONS**. The Company is a relatively new entity with limited operating history. The Company and its officers and directors have limited performance history, and the Company's operations are subject to risks involved with any new speculative venture. The Company is likely to encounter unforeseen expenses, difficulties, complications, delays and other adverse factors which may impact Purchaser's investment.

2. **NEED FOR ADDITIONAL CAPITAL.** The Company's success and continued operation is dependent on its ability to raise additional capital. The Company may not obtain sufficient capital from this offering or from future offerings or borrowings to achieve its expectations with respect to its overall member growth and revenue goals, which could adversely affect the Company's financial results.

3. **COMPETITION.** The Company is in a highly competitive business and many of the Company's potential competitors, including cellphone, insurance and wireless companies, have significantly greater resources than the Company. It can be very expensive to build a consumer brand and the Company's efforts to increase awareness of its process may not be successful. The Company competes with low-cost drying methods (rice) as well as with new cell phones marketed as "water-resistant." Many of the Company's competitors have, and some potential competitors are likely to enjoy, substantial competitive advantages. To compete against these companies, the Company expects to have to offer both competitive products and superior service to our customers and we may not be able to do so on profitable terms.

4. **DEPENDENT ON FOUNDERS AND KEY ADVISORS.** The Company's future success depends upon the continued service of Adam Cookson and Craig Beinecke (the "***Founders***") and certain other key personnel, many of whom possess technical and market knowledge of our operations. If we lose the services of our Founders or one or more key personnel, or if one or more of them decide to join a competitor or otherwise compete directly or indirectly with us, our business, operating results and financial condition could be materially harmed. If our business continues to grow, additional personnel may be necessary. We cannot assure you we will be successful in attracting and retaining additional personnel. If we are unable to attract and retain key personnel, or are unable to do so in a cost effective manner, our business may be materially and adversely affected.

5. **DILUTION.** Exercise of the Notes and the Company's outstanding warrants, may dilute investors based on the price at which the Notes and warrants are exercised.

6. **FOUNDER CONTROL AND FOUNDER DILUTION.** The Founders beneficially own approximately 69% of the outstanding voting shares. Accordingly the Founders are able to significantly influence the affairs of the Company, including the election of directors. On a fully diluted basis, which includes the reservation of Shares for issuance under the Company's 2015 Equity Incentive Plan, issuance of the Conversion Securities upon conversion of the Notes and exercise of the warrants, the Founders would potentially control 40% or less of the Company. To maintain Founder control it is contemplated that the stockholder agreement among holders of the Company's common stock, execution of which is a condition to the issuance of any Conversion Securities under the Notes, will contain voting provisions intended to preserve each Founder's position as a member of the board of directors of the Company.

7. **STAPLES.** The Company's ability to grow quickly is significantly dependent on the success of its market test with Staples in approximately 82 locations, which is underway. Management

believes that the success of this rollout is critical to the Company's ability to continue to raise capital and execute its short-term business plan.

8. **SECURED LOAN.** If the Company is unable to repay the Loan on or before the maturity date, the Lender could take control of the Company's assets.

9. **INTELLECTUAL PROPERTY RISKS.** The Company may not be able to adequately enforce or protect its intellectual property rights or protect against infringement claims by others. The Company's success may depend, in part, on its ability to establish and maintain intellectual property rights with respect to its business methods, ideas, designs, improvements, technical knowledge, trademarks or service marks, preserve its trade secrets ("***Intellectual Property***") or operate without infringing the proprietary rights of third parties. The Company cannot assure you that it will be able to obtain any protection for its Intellectual Property, that the scope of any protection will exclude competitors or provide it competitive advantages, that any protection it may obtain will be held valid if subsequently challenged, that others will not claim rights in, or ownership of, its Intellectual Property, or that its processes and technique will not infringe, or be alleged to infringe, the proprietary rights of others. Furthermore, the Company cannot assure you that others have not developed or will not develop similar processes or techniques, duplicate any of its processes or techniques or design around any of its Intellectual Property. Litigation may be necessary in the future to protect the Company's trade secrets or other intellectual property rights or to determine the validity and scope of the proprietary rights of others. Such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's foundational patent based on systems and methods for a conductively heated vacuum-based system for drying portable electronics was issued by the United States Patent and Trademark Office ("***USPTO***") in April 2014 as U.S. Patent No. 8,689,461. Follow-on patent applications are pending in the U.S. and related patent applications are pending in Europe, Brazil, Mexico, India and South Africa.

The Company has procedures in place to monitor its competitors' intellectual property filings and where appropriate, the Company is reviewing any potential validity or infringement concerns; however, these procedures provide no guaranty that the Company will identify all potential validity or infringement concerns. The Company's patent counsel has recently conducted an analysis of the landscape of prior patents in related technology areas and concluded that they are confident about the protection afforded by the Company's patent portfolio and its freedom to operate in this area free from infringement concerns. Also, in December 2014, TekDry received U.S. federal trademark registrations for both their "TEKDRY" word mark and logo (Registration Nos. 4,648,737 and 4,648,740).

10. **DISTRIBUTION AND CONSUMER BEHAVIOR.** The Company's primary business challenges include, but are not limited to, distribution and awareness (marketing). The Company and its founders are making every possible effort to secure distribution via retail partners via leasing, direct sales, franchising, revenue sharing, or other forms of monetization. The success of this distribution channel is impacted by potential partners and their actions surrounding the business model. Although the Company has established significant distribution relationships with Staples, further attempts are being made to increase distribution via additional channel partners. Success of the Company's technology is substantially dependent upon consumer behavior once an electronic device becomes exposed to moisture. The Company is making every possible effort to educate consumers on these behavioral factors. It should be expected that successful marketing and awareness efforts will take significant time and resources and may never fully result in the ideal consumer behavior.